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IN THE

Supreme Court of the United States

MEDIOSTREAM, INC.,
Petitioner,

v.

ACER AMERICA CORPORATION, *et al.*,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Did the Federal Circuit err in reweighing a district court's discretionary § 1404(a) analysis in the manner of the 6th, 7th, 10th and 11th Circuits, or is the proper approach under the All Writs Act, 28 U.S.C. § 1651, that of the 1st and 3rd Circuits which decline review of discretionary venue decisions?

PARTIES TO THE PROCEEDING

Acer America Corp., Apple, Inc., Asus Computer International, Cyberlink.Com Corp., Dell, Inc., Gateway, Inc., Microsoft Corp., MedioStream, Inc., Nero AG, Nero, Inc., Sonic Solutions, Sony Corporation, Sony Electronics Inc.

CORPORATE DISCLOSURE STATEMENT

MedioStream, Inc. ("MedioStream") is a privately held company. It has no parent and no publically-held company owns 10% or more of the company's stock.

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PETITION FOR A WRIT OF CERTIORARI

OPINIONS BELOW

The decision of the court of appeals (App., *infra*, 1a to 9a, with errata at 10a-12a) is reported at 626 F.3d 1252. The orders of the district court (App., *infra*, 13a-18a; 19a, 20a-30a; and 31a-32a) are unreported, but two of them are available at *Mediostream v. Acer America Corp.*, 2008 WL 44327 (E.D. Tex 2008), and *Mediostream v. Microsoft Corp.*, 2009 WL 3161380 (E.D. Tex. 2009).

JURISDICTION

The judgment of the court of appeals was entered on December 3, 2010. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

The relevant portion of Section 1404 Title 28, United States Code provides:

> (a) For the convenience of parties and witnesses, in the interest of justice a district court may transfer any civil action to any other district or division where it might have been brought.

28 U.S.C. § 1404(a)

The relevant portion of Section 1651, Title 28 United States Code, provides:

> (a) The Supreme Court and all courts established by Act of congress may issue all writs necessary or appropriate in aid of the respective jurisdictions and agreeable to the usages and principles of law.

28 U.S.C. § 1651(a)

STATEMENT OF THE CASE

This case was a month from trial when, on December 3, 2010, the court below issued a writ of mandamus ordering transfer of venue on § 1404(a) convenience and interest-of-justice grounds. The petition for mandamus had been pending at the Federal Circuit since May 21, 2010.

This is a patent infringement case brought by MedioStream on August 29, 2007 against defendants Acer America Corporation, Apple Computer, Inc., Dell, Inc. and Gateway, Inc. (the "Acer, *et al.* case"). By the end of the year MedioStream had added defendants ASUS, Computer International, Inc., Sony Electronics Inc., CyberLink Inc., Nero Inc., and Sonic Solutions. MedioStream filed a separate case against Microsoft on September 30, 2008 ("the Microsoft case"). The Microsoft case and Acer, *et al.* case were

consolidated on February 26, 2009. A trial was set for January 4, 2011.

The technology at issue is video transcoding and authoring for optical disc playback formats. The patents include apparatus and method claims, and the accused products are computer systems. Software is part, but not all of the accused system. The software products of Defendant Microsoft enter the stream of commerce installed on computers, with the computers of defendant Dell being the predominant accused products. Likewise, the software products of defendants Nero, Sonic and Cyberlink, enter the marketplace installed on new computers. The software of Sonic, for example, is installed on Dell computers when sold. Dell is not a passive conduit, but works with the software companies in developing and marketing programs installed on its computers. In large part, Dell is motivated by a desire to match or exceed the offerings of defendant Apple. For its part, Apple has company owned retail outlets in the district of suit as well as a research facility in Austin.

On January 25, 2008, Petitioners Acer, Apple, ASUS, Gateway, and CyberLink filed the first motion to transfer venue to the Northern District of California ("first transfer motion"). The district court issued an order denying the first transfer motion on September 26, 2008 ("first order"). On March 27, 2008, Sonic filed a separate motion to abate the case pending arbitration or in the alternative, to transfer the case ("second transfer motion"). On December 5, 2008, Microsoft filed a motion to transfer venue to the Northern District of California in the Microsoft case ("third transfer motion"). On the same day, eight of fourteen Defendants in the Acer, et al. case filed a motion for reconsideration of the district

court's September 26, 2008 ruling ("first reconsideration motion").

Sonic filed an unopposed motion to withdraw the second transfer motion on March 3, 2009. The district court granted Sonic's motion on March 4, 2009 ("second order"). On September 30, 2009, the district court issued one order denying both the third transfer motion and the first reconsideration motion ("third order"). On December 23, 2009, Petitioners filed a second motion for reconsideration of the courts prior orders denying transfer ("second reconsideration motion"). On May 21, 2010 the defendants filed a petition for mandamus in the Federal Circuit. On June 16, 2010, the district court denied the second motion for reconsideration.("fourth order")

While mandamus was pending in the court of appeals, the district court construed the claims of the patents at issue pursuant to *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). The district court also resolved a number of other pending motions.[1] On November 4, 2010, in light of the imminent trial, defendants filed an "emergency" motion to stay, asking the court of appeals to stay the case in the district court pending a ruling on mandamus. On November 9, 2010, the court below temporarily stayed the case in the district court pending determination of the motion to stay. The court of appeal issued the writ of mandamus shortly thereafter.

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[1] *See, e.g., MedioStream, Inc. v. Microsoft Corp.*,— F.Supp.2d—, 2010 WL 4274578 (E.D. Tex. 2010); *Mediostream, Inc. v. Microsoft Corp.*, 2010 WL 4239196 (E.D. Tex. 2010); *Mediostream, Inc. v. Microsoft Corp.*, 2010 WL 4118589, (E.D. Tex. 2010); *Mediostream, Inc. v. Microsoft Corp.*, 2010 WL 3430831 (E.D. Tex. 2010); *Mediostream, Inc. v. Microsoft Corp.*, 2010 WL 3283032 (E.D. Tex. 2010).

The decision below initially granted the writ on a finding that all domestic defendants besides Dell are in California. That finding was incorrect and inconsistent with the undisputed record before the court of appeals. The defendants moved for correction of the error. Via errata, the court below altered its factual finding to state that Microsoft's headquarters is in Redmond, Washington.

The opinion below does not assert that the district court used the wrong legal guidelines to perform the § 1404(a) analysis. Instead, the opinion below takes a different view of the weight of the facts before the district court.

REASONS FOR GRANTING THE PETITION

I. The Courts of Appeals are split on the scope of mandamus review of §1404(a) transfer orders.

Section 1404(a) of the Judicial Code grants a district court discretion to transfer a case to a district where it might have been brought "for the convenience of the parties and witnesses and in the interests of justice." 28 U.S.C. § 1404(a). Appellate courts disagree about whether they may grant the extraordinary writ of mandamus on a reweighing of the district court's discretionary § 1404(a) analysis. *See* 15 Charles A. Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 3855, at 324-27, 330-32 (3d ed. 2007). As Wright and Miller observe:

> [T]he decisions of the courts of appeals, as several of them have remarked, are "in hopeless conflict." Indeed the variations among the courts of appeal, and the changes of view within a particular appellate court, are so great that the

> law on this point must be examined on a circuit-by-circuit basis.

Id., at 332.

A. The First and Third Circuits prohibit a factual reweighing of the district court's § 1404(a) judgment.

The First and Third Circuits have concluded that, where a district court has authority to transfer a case and where the district court has considered the appropriate factors in weighing whether to transfer the case, mandamus will not lie to correct an abuse of discretion in weighing those factors. *See All States Freight v. Modarelli*, 196 F.2d 1010, 1012, (3d Cir. 1952); *In re Josephson*, 218 F.2d 174, 182-83 (1st Cir. 1954) *abrogated on other grounds* by *In re Union Leader Corp.*, 292 F.2d 381, 383 (1st Cir. 1961). The judges of a unanimous First Circuit panel declared: "we associate ourselves fully with the comments of Judge Goodrich in *All States Freight, Inc.* . . . . " *Id.* Those First Circuit judges are not alone. The opinion of Judge Goodrich is credited as "the seminal statement on this issue." 15 Charles A. Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 3855, at 324-27, 330-32 (3d ed. 2007). Judge Goodrich observed:

> Now the effort is being made both in this court and elsewhere to substitute for appeal a review by mandamus whenever the losing party on a motion to transfer wants an advance review of the ruling on this point.
>
> We think that this practice will defeat the object of the statute. Instead of making the business of the courts easier, quicker and less expensive, we now have the merits of the litigation postponed

> while appellate courts review the question where a case may be tried.
>
> Every litigant against whom the transfer issue is decided naturally thinks the judge was wrong. It is likely that in some cases an appellate court would think so, too. But the risk of a party being injured either by the granting or refusal of a transfer order is, we think, much less than the certainty of harm through delay and additional expense if these orders are to be subjected to interlocutory review by mandamus.
>
> We do not propose to grant such review where the judge in the district court has considered the interests stipulated in the statute and decided thereon.
>
> * * *
>
> [W]e cannot escape the conclusion that it will be highly unfortunate if the result of an attempted procedural improvement is to subject parties to two lawsuits: first, prolonged litigation to determine the place where a case is to tried; and, second, the merits of the alleged cause of action itself.

All States Freight, 196 F.2d, at 1011-12.

The view of Judge Goodrich has withstood the test of time in the Third Circuit. *See In re Federal-Mogul Global*, 300 F.3d 368, 378-79 (3d Cir. 2002) ("Generally a writ will only issue if the district court did not have the power to enter the order . . ."); *Carteret Savings bank v. Shushan*, 919 F.2d 225, 232 (3d Cir. 1990) ("We are well aware, of course, that the mere fact that the district court has made an error is not in itself the basis for the issuance of a writ of manda-

mus. In general, we may issue the writ only if a district court did not have the authority to make an order."); *Solomon v. Cont'l Am. Life Ins. Co.*, 472 F.2d 1043, 1045 (3d Cir. 1972).

The view of Judge Goodrich has also served as the *modus operandi* of the First circuit, but a panel of that court has reserved the right to depart from that approach when necessary. *See Codex Corp. v. Milgo Electronic Corp.*, 553 F.2d 735, 737 (1st Cir.) *cert. denied*, 434 U.S. 860, 98 S.Ct. 185, 54 L.Ed.2d 133 (1977) (granting writ on grounds that suits against customers in a patent dispute are not sufficient to stay the manufacturer's declaratory judgment suit.)

In the absence of direct guidance from this Court on mandamus review of § 1404(a) decisions, the courts of appeal have looked to this Court's mandamus decisions generally. The First Circuit, in adopting the approach of Judge Goodrich, conducted a thorough review of mandamus law, finding support for his approach in *Roche v. Evaporated Milk Ass'n. See In re Josephson*, 218 F.2d at 180 citing *Roche v. Evaporated Milk Ass'n*, 319 U.S. 21, 29-31, 63 S.Ct 938, 87 L.Ed. 1185 (1943). Petitioner believes this approach was vindicated by *Allied Chem. Corp. v. Daiflon, Inc.*, 449 U.S. 33, 35, 101 S.Ct. 188, 190, 66 L.Ed.2d 193 (1980) ("Where a matter is committed to [the trial court's] discretion, it cannot be said that a litigant's right to a particular result is 'clear and indisputable.'") (citation omitted).

B. Some Circuits have rules that, in practical effect, should prohibit reweighing of the district court's § 1404(a) judgment.

The Fourth Circuit adheres to something akin to the Judge Goodrich approach. *See Ralston Purina Co.*, 726 F.2d 1002, 1004 (4th Cir.1984). The Fourth Circuit holds that the test is not abuse of discretion, but is rather whether the right to the writ is "clear and indisputable." *Id.*, at 1005, *citing Allied Chemical Corp. v. Daiflon, Inc.*, 449 U.S. 33, 35, 101 S.Ct. 188, 190, 66 L.Ed.2d 193 (1980). The right is not "clear and indisputable" unless the district court's decision amounts to a "judicial usurpation of power." *Id.* Nonetheless, the Fourth Circuit has previously asserted, and has never overruled, the appellate court's prerogative to grant the writ on its own weighing of judicial economy. *See, General Tire & Rubber Co. v. Watkins*, 373 F.2d 361, 368 (4th Cir.), *cert. denied*, 386 U.S. 960 (1967).

In practical application, the Eigth Circuit should be very close to the approach of Judge Goodrich: mandamus review is available, but only when the record is "without any basis for [the district court's] judgment of discretion." *McGraw-Edison Co. v. Van Pelt*, 350 F.2d 361, 363 (8th Cir.1965) (*en banc*). However, a divided panel of the Eighth Circuit recently declared that the *McGraw-Edison* test does not narrow the scope of "clear abuse of discretion" review. *In re Apple, Inc.*, 602 F.3d 909, 911 (8th Cir.) *cert. denied*, 131 S.Ct. 838, 79 USLW 3355, 79 USLW 3360 (2010).

C. Some circuits use an abuse of discretion standard, but caution against invading the trial court's § 1404(a) discretion.

The Second Circuit uses an abuse of discretion test. *A. Olinick & Sons v. Dempster Bros., Inc.*, 365 F.2d 439 (2nd Cir.1966). Judge Goodrich found an ally in the Second Circuit, but only in concurrence. *Id.*, at 446-47 (Friendly, J, concurring). The *A. Olinick & Sons*—majority reserved the ability to grant mandamus in the event of a "clear cut abuse of discretion." *Id.*, at 445 The majority also expressed a "strong sense of appellate reluctance to interfere with the District Court's exercise of its discretion." *Id.*, at 444. This was not enough for Judge Friendly: "[W]e should go the whole way and end this sorry business of invoking a prerogative writ to permit appeals, which Congress withheld from us, from discretionary orders fixing the place of trial." *Id.*, at 445-6. Judge Friendly asserted that the Second Circuit should "align itself with the views forcibly expressed by Judge Goodrich . . . ." *Id*, at 447 (citation omitted). That never happened. The Second Circuit still uses an abuse of discretion test. *See D.H. Blair & Co., Inc. v. Gottdiener*, 462 F.3d 95, 105 (2nd Cir. 2006).

The Fifth Circuit is similar to the Second. *In re Volkswagen of Am., Inc.*, 545 F.3d 304 (5th Cir. 2008) (en banc), *cert. denied*, —U.S.—, 129 S.Ct. 1336, 173 L.Ed.2d 587 (2009). The majority of an *en banc* court held that it could review transfer decisions for "clear abuses of discretion that produce patently erroneous results," while at the same time stressing that "in no case will we replace a district court's exercise of discretion with our own." *Id.*, at 312. The majority asserts that it follows the *Cheney* standard

of review. *Id.*, at 311 ("If the district court clearly abused its discretion (the standard enunciated by the Supreme Court in *Cheney*) . . . then Volkswagen's right to issuance of the writ is necessarily clear and indisputable."); *But cf Cheney v. United States*, 542 U.S. 367, 380 124 S.Ct 2576, 2587, 159 L.Ed.2d 459 (2004) ("The traditional use of the writ in aid of appellate jurisdiction both at common law and in the federal courts has been to confine [the court against which mandamus is sought] to a lawful exercise of its prescribed jurisdiction." *quoting Roche v. Evaporated Milk Assn.*, 319 U.S. 21, 26 (1943) (internal quotation marks omitted)). A seven judge dissent, though, asserted that the majority was indeed substituting its judgment for that of the district court. *Id.*, at 321. The dissent asserts that the majority "fundamentally misconstrues" *Cheney*. *Id.*, at 320. Echoing Judge Friendly, the dissenters called for an end to this sorry business. *Id.*, at 327 (*quoting A. Olinick & Sons*, 365 F.2d at 447).

Panels of the Ninth Circuit are split along the *A. Olinick & Sons* fault lines. One panel declared the abuse of discretion test "nebulous" and disclaimed any attempt to substitute its own discretion for that of the district court. *Kasey v. Molybdenum Corp. of America*, 408 F.2d 16, 20 (9th Cir.1969). That would be the Goodrich view, but for the fact that the panel left itself some wiggle room, holding that it would not grant the writ so long as the district court's decision is "well reasoned" and its guess not "too wild." *Id.* A subsequent panel took the Goodrich approach, bluntly eschewing substitution of discretion without caveat. *Northern Acceptance Trust 1065 v. Gray*, 423 F.2d 653 (9th Cir.), *cert. denied*, 398 U.S. 939, 90 S.Ct. 1844, 26 L.Ed.2d 272 (1970).

D. Other circuits apply an abuse of discretion standard, reweighing the district court's § 1404(a) judgment.

The Sixth Circuit applies a clear abuse of discretion standard. *Lemon v. Druffel*, 253 F.2d 680, 685 (6th Cir.1958), *cert. denied*, 358 U.S. 821, 79 S.Ct. 34, 3 L.Ed.2d 62 (1958). The Seventh Circuit applies an abuse of discretion standard. *Chicago, R.I. & P.R.R. v. Igoe*, 220 F.2d 299 (7th Cir.) (*en banc*), *cert. denied*, 350 U.S. 822, 76 S.Ct. 49, 100 L.Ed. 735 (1955).[2] A Seventh Circuit panel has since used the term "patently erroneous" for the standard, but did so citing the prior en banc determination. *See, In re Nat'l Presto Indus., Inc.*, 347 F.3d 662, 663-4 (7th Cir.2003) *citing Chicago, R.I. & P.R.R. v. Igoe*, 220 F.2d at 305.[3] The Tenth Circuit, applies an abuse of discretion standard. *Hustler Magazine, Inc.*, 790 F.2d at 69, 70 (10th Cir.1986) But, seeing the split in the circuits, the Tenth Circuit has yet to clearly enunciate its test. *Id.* ("Cognizant that a thorny thicket abounds in this area, we are reluctant to compound the tangle.") The Eleventh Circuit follows a "clear abuse of discretion" standard, but like the

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[2] *See, Coffey v. Van Dorn Iron Works*, 796 F.2d 217, 220 (7th Cir.1986); *General Foods Corp. v. Carnation Co.*, 411 F.2d 528, 532-33 (7th Cir.), *cert. denied*, 396 U.S. 940, 90 S.Ct. 375, 24 L.Ed.2d 242 (1969).

[3] The underlying Supreme Court authorities relied on by the Seventh Circuit appear to be *Gulfstream Aerospace Corp.*, and *Allied Chem. Corp. See National Presto Indus., Inc.*, 347 F.3d at 663 *citing In re Rhone-Poulenc Rorer Inc.*, 51 F. 3d 1293, 1295 (7th Cir.) *cert. denied* 516 U.S. 867, 116 S.Ct. 184, 133 L.Ed.2d 122 (1995) *citing in turn Gulfstream Aerospace Corp. v. Mayacamas Corp.*, 485 U.S. 271, 289, 108 S.Ct. 1133, 1143-44, 99 L.Ed.2d 296 (1988); *Allied Chem. Corp.*, 449 U.S. at 35, 101 S.Ct. at 190.

Tenth, has not elaborated on the standard. *In re Ricoh Corp.*, 870 F.2d 570, 573 n. 5 (11th Cir. 1989). The Federal Circuit, while purporting to follow Fifth Circuit law, has applied a naked abuse of discretion test. *In re Acer*, App, at 6a (declaring Dell witnesses "insignificant").

E. The appellate courts themselves have repeatedly acknowledged this intractable split.

"[C]onflicts among the circuits and within individual circuits have proliferated on the question of whether the writ may be used to review the district court's § 1404(a) transfer decision." *In re Volkswagen of Am., Inc.*, 545 F.3d at 327 (King, J. dissenting). The Eleventh Circuit has observed: "There is substantial disagreement among the circuits, and some apparent confusion within the respective circuits, concerning the appropriate role of mandamus as a remedy for abuses of discretion by district courts in deciding motions under §1404(a)." *Roofing and Sheet Metal Servs., Inc. v. La Quinta Motor Inns, Inc.*, 689 F.2d 982, 987 (11th Cir. 1982); *see also National-Standard Co. v. Adamkus*, 881 F.2d 352, 356 n. 3 (7th Cir. 1989); *Hustler Magazine, Inc.*, 790 F.2d at 70 ("thorny thicket"); *In re Cragar Indus., Inc.*, 706 F.2d 503, 504 (5th Cir. 1983) (mandamus reviewability "expressed in uneven terms throughout the country and within this circuit"); *Wilkins v. Erickson* 484 F.2d 969, 971 (8th Cir. 1973) (extent of mandamus review "varies widely among the federal appellate courts"); *Kasey v. Molybdenum Corp. of Am.*, 408 F.2d 16, 18 (9th Cir. 1969) ("circuits are drastically divided on the question"); *Clayton v. Warlick*, 232 F.2d 699, 703 (4th Cir. 1956) ("hopeless conflict")

II. For sixty years litigants have repeatedly petitioned this Court for a ruling on the scope of mandamus review of discretionary §1404(a) transfer orders.

The question has been noted in the decisions of this Court since 1949. *Ex parte Collett*, 337 U.S. 55, 72, 69 S.Ct. 944, 953, 93 L.Ed. 1207 (1949); *Norwood v. Kirkpatrick*, 349 U.S. 29, 33 (1955); *Van Dusen v. Barrack*, 376 U.S. 612, 615 n. 3 (1964). Since *Ex Parte Collett*, there has been a long trail of denied petitions for certiorari. There are many cases where venue was the sole issue on appeal.[4] In other cases, certiorari may have been sought on venue, but there

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[4] *Fannin v. Jones*, 229 F.2d 368 (6th Cir.), *cert. denied*, 351 U.S. 938, 76 S.Ct. 834, 100 L.Ed. 1465 (1956); *Lemon v. Druffel*, 253 F.2d 680, 685 (6th Cir.1958), *cert. denied*, 358 U.S. 821, 79 S.Ct. 34, 3 L.Ed.2d 62 (1958); Fifth Circuit. *Ex Parte Blaski*, 245 F.2d 737 (5th Cir.), *cert. denied*, 355 U.S. 872, 78 S.Ct. 122, 2 L.Ed.2d 76 (1957); *Great Northern R'y v. Hyde*, 238 F.2d 852, 857 (8th Cir. 1956), *adhered to*, 254 F.2d 537 (8th Cir.1957), *cert. denied*, 355 U.S. 872, 78 S.Ct. 117, 2 L.Ed.2d 77 (1957); *Technitrol, Inc. v. McManus*, 405 F.2d 84 (8th Cir. 1968), *cert. denied*, 394 U.S. 997, 89 S.Ct. 1591, 22 L.Ed.2d 775 (1969); *Toro Co. v. Alsop*, 565 F.2d 998, 1000 (8th Cir.1977) *cert. denied*, 435 U.S. 952 (1978); *General Tire & Rubber Co. v. Watkins*, 373 F.2d 361, 368 (4th Cir.), *cert. denied*, 386 U.S. 960 (1967); *Jones v. Gasch*, 404 F.2d 1231, 1242 (D.C. Cir. 1967), *cert. denied*, 390 U.S. 1029, 88 S.Ct. 1414, 20 L.Ed.2d 286 (1968); *Northern Acceptance Trust 1065 v. Gray*, 423 F.2d 653 (9th Cir.), *cert. denied*, 398 U.S. 939, 90 S.Ct. 1844, 26 L.Ed.2d 272 (1970); *Shutte v. Armco Steel Corp.*, 431 F.2d 22, 23 (3rd Cir.1970), *cert. denied*, 401 U.S. 910, 91 S.Ct. 871, 27 L.Ed.2d 808 (1971); *Codex Corp. v. Milgo Electronic Corp.*, 553 F.2d 735, 737 (1st Cir.) *cert. denied*, 434 U.S. 860, 98 S.Ct. 185, 54 L.Ed.2d 133 (1977); *In re Apple, Inc.*, 602 F.3d 909, 911 (8th Cir.) *cert. denied*, 131 S.Ct. 838, 79 USLW 3355, 79 USLW 3360 (2010).

were other issues in the case.[5] Most notable are the cases with concurrences or dissents that bring the conflict over mandamus review of venue decisions into sharp relief:

This Court denied certiorari in one such case from the Second Circuit. *Ford Motor Co. v. Ryan*, 182 F.2d 329 (2nd Cir.), *cert. denied*, 340 U.S. 851, 71 S.Ct. 79, 95 L.Ed. 624 (1950). Judge Frank held that the standard of review was "abuse of discretion," Judge Learned Hand, concurring, expressed the test as whether the order was "clearly erroneous," and Judge Swan, concurring separately, asserted that an appellate court is wholly without power to "'correct a mere error [of the district court] in the exercise of conceded judicial power.'" *Id.* (with Judge Swan's concurrence quoting *DeBeers Consol. Mines v. United States*, 325 U.S. 212, 217, 65 S.Ct. 1130, 1133, 89 L.Ed. 1566 (1945).

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[5] *See Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215, 218 (2d Cir.1978), *cert. denied*, 440 U.S. 908, 99 S.Ct. 1215, 59 L.Ed.2d 455 (1979). In an injunction suit regarding Elvis Presley memorabilia, the initial question was whether the suit should have been transferred via § 1404(a) to an Ohio district where another Elvis memorabilia suit was pending. The Second Circuit held that "In deciding between competing jurisdictions, the balancing of convenience should be left to the sound discretion of the district court." *Id.*, at 219 (citations omitted); *United States v. McManus*, 535 F.2d 460 (8th Cir 1976) *cert. denied*, 429 U.S. 1052, 97 S.Ct. 766, 50 L.Ed.2d 769 (1977); *SEC v. Savoy Industries, Inc.*, 587 F.2d 1149, 1153 (D.C.Cir.1978), *cert. denied*, 440 U.S. 913, 99 S.Ct. 1227, 59 L.Ed.2d 462 (1979); *Dalton v. United States* (*In re Dalton*), 733 F.2d 710, 717 (10th Cir.1984), *cert. dismissed*, 469 U.S. 1185, 105 S.Ct. 947, 83 L.Ed.2d 959 (1985); *Peteet v. Dow Chemical Co.*, 868 F.2d 1428, 1436 (5th Cir.1989), *cert. denied sub nom*, *Dow Chemical Co. v. Greenhill*, 493 U.S. 935, 110 S.Ct. 328, 107 L.Ed.2d 318 (1989).

This Court denied certiorari from the Third Circuit. *Paramount Pictures v. Rodney*, 186 F.2d 111 (3rd Cir. 1950), cert. denied, 340 U.S. 953, 71 S.Ct. 572, 95 L.Ed. 687 (1951). The majority held that the district court erred in holding that it had no power to transfer Delaware cases to Texas. Contrary to the district court's decision, however, the case could have been brought in Texas under antitrust venue law. *Id*, at 113. The majority remanded so the district court could conduct the § 1404(a) analysis anew in light of this power. *Id.*, at 116. The dissent argued that the case should not be remanded for reconsideration. The district court had already examined the convenience facts and had also ruled against transfer to Texas on those grounds. The dissenters urged: "We are acting on a petition for writ of mandamus. Once it has been concluded that the district court was correct in its construction of Section 1404(a), we have gone as far as is appropriate in acting upon the present petition." *Id.*, at 119.

This Court denied certiorari to review the Seventh Circuit's abuse of discretion test. *Chicago, R.I. & P.R.R. v. Igoe*, 220 F.2d 299 (7th Cir.) (en banc), *cert. denied*, 350 U.S. 822, 76 S.Ct. 49, 100 L.Ed. 735 (1955). There the majority granted the writ on a finding that "[t]he balance of convenience of the parties is so overwhelmingly in favor of the defendant that we hold the denial by respondent of the motion to transfer this case to the Southern District of Iowa was so clearly erroneous that it amounted to an abuse of discretion." *Id.*, at 305. The dissent cried out: "If we are substituting our discretion for that of respondent we ought to say so and be done with it. We have no business, as I view it, balancing conveniences of the parties, and speculating upon their motivations." *Id.*, at 306.

This Court denied certiorari to review the Fifth Circuit's abuse of discretion test. *In re Horseshoe Entm't*, 337 F.3d 429, 432 (5th Cir.) *cert. denied*, 540 U.S. 1049, 124 S.Ct. 826, 157 L.Ed.2d 698 (2003). The dissent asserted that: "While purporting to review the district court's decision for a clear abuse of discretion, the majority in fact conducts a *de novo* review." *Id.*, at 435.

The same division was present in full force when the Fifth Circuit revisited the issue *en banc*. The majority disclaimed any ability to substitute its discretion for the discretion of the district court. *In re Volkswagen of Am., Inc.*, 545 F.3d at 312. The seven dissenters asserted that the majority's standard of review was nothing less than a substitution of discretion. *Id.*, at 321, 27. As before this Court denied certiorari. *Singleton v. Volkwagen of Am. Inc.*, — U.S. —, 129 S.Ct 1336, 173 L.Ed.2d 587 (2009).

III. Now, due to the unique role of the Federal Circuit, improper reweighing of discretionary rulings is distorting patent venue.

The circuit split set out above is having a rapid and dramatic effect on patent venue. The Federal Circuit has exclusive jurisdiction over patent appeals. 28 U.S.C. §§ 1295(a), 1338. That said, the Federal Circuit applies the law of the geographic circuits on matters not unique to patent law. *In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed.Cir.2008). Venue determinations under § 1404(a) are not unique to patent law. *Id.* In other words, the circuit split regarding the scope of mandamus review of § 1404(a) decisions has been imported into the Federal Circuit.

It has been little more than two years since this Court denied certiorari under the name of *Singleton v. Volkswagen of America, Inc.*, —U.S.—, 129 S.Ct. 1336, 173 L.Ed.2d 587 (2009). In the space of little more than two years, thirty seven § 1404(a) mandamus petitions have been presented to the Federal Circuit.[6] Decisions have issued in twenty-

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[6] *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008) (rehearing and rehearing en banc denied, 2009) (2009-M888); *In re Volkswagen of America, Inc.*, 566 F.3d 1349 (Fed. Cir. 2009) (2009-M897); *In re Telular Corporation*, 319 Fed.Appx. 909 (Fed. Cir. 2009) (2009-M899); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) (rehearing and rehearing en banc denied) (2009-M901); *In re Yahoo!, Inc.*, 2009-M906 (Fed. Cir Sept. 1, 2009); *In re VTech Comm, Inc.*, 2010 WL 46332 (Fed. Cir. 2009) (2009-M909); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009) (2009-M911); *In re Affymetrix*, 2010 WL 1525010 (Fed. Cir. 2010) (2010-M913); *In re Nintendo Co., Ltd.*, 589 F.3d 1194 (Fed. Cir. 2009) (2010-M914); *In re Pfizer, Inc.*, 364 Fed. Appx. 620, 2010 WL 375112 (Fed. Cir. 2010) (2010-M915); *In re Wi-Lan, Inc.*, 358 Fed. Appx. 158, 2009 WL 4906521 (Fed. Cir. 2009) (M2009-M916); *In re Bayer Healthcare, LLC*, 2010-M918 (Fed. Cir. Feb. 24, 2010); *In re Juniper Networks*, 2010-M919 (Fed. Cir. Jan 7, 2010); *In re Apple Inc.*, 374 Fed.Appx. 997 (Fed. Cir. 2010) (2010-M932); *In re Echostar Corp.*, 388 Fed.Appx. 994 (Fed. Cir. 2010) (2010-M933); *In re Oracle Corp.* 2010-M935 (Fed. Cir. May 19, 2010); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010) (rehearing en banc denied) (2010-M938); *In re Smith & Nephew*, 2010-M940 (Fed. Cir Oct. 25, 2010); *In re Acer America Corp.*, 626 F.3d 1252 (Fed. Cir. 2010) (2010-M942); *In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2010) (2010-M944); *In re Skype Technologies* 2010-M945 (Fed. Cir. Aug. 24, 2010); *In re Google* 2010-M946 (Fed. Cir Aug. 5, 2010); *In re Kyocera* 2010-M950 (Fed. Cir. Nov. 15, 2010); *In re Oracle Corp.*, 2010 WL 4286372 (Fed. Cir. 2010) (2010-M951); *In re Vistaprint Ltd.*, 628 F.3d 1342 (Fed. Cir. 2010) (2010-M954); *In re Verizon Business Network* 2010-M956 (Fed. Cir. Aug. 26, 2010); *In re Wyeth*, 2010 WL 5376518 (Fed. Cir. 2010) (2010-M959); *In re Morgan Stanley* 2011-M962 (Fed. Cir. Dec. 6, 2010); *In re Comcast Corp* 2011-M963 (Fed. Cir Jan. 28, 2011); *In re Bats Trading, Inc.* 2011-M964

one of these cases.[7] In eight, the writ has issued.[8] Every one of those eight has arisen from the geographic jurisdiction of the Fifth Circuit.

(Fed. Cir. Nov. 18, 2010), (later consolidated into M962); *In re Thomson Reuters Corp* 2011-M967 (Fed. Cir Nov. 4, 2010), (later consolidated into M962); *In re Google* 2011-M968 (Fed. Cir. Jan. 4, 2011); *In re Sierra Wireless* 2011-M969 (Fed. Cir. Nov. 18, 2010); *In re Simpson Strong-Tie Company, Inc.* 2011-M970 (Fed. Cir. Nov. 18, 2010); *In re Aliphcom* 2011-M971 (Fed. Cir. Feb. 9, 2011); *In re Board of Regents of UT System* 2011-M974 (Fed. Cir. Feb. 2, 2011).

[7] *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008) (2009-M888); *In re Volkswagen of America, Inc.*, 566 F.3d 1349 (Fed. Cir. 2009) (2009-M897); *In re Telular Corporation*, 319 Fed. Appx. 909 (Fed.Cir. 2009) (2009-M899); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) (2009-M901); *In re Yahoo!, Inc.*, (2009-M906); *In re VTech Comm, Inc.*, 2010 WL 46332 (Fed. Cir. 2009) (2009-M909); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009) (2009-M911); *In re Affymetrix*, 2010 WL 1525010 (Fed. Cir. 2010) (2010-M913); *In re Nintendo Co., Ltd.*, 589 F.3d 1194 (Fed. Cir. 2009) (2010-M914); *In re Pfizer, Inc.*, 364 Fed.Appx. 620, 2010 WL 375112 (Fed. Cir. 2010) (2010-M915); *In re Wi-Lan, Inc.*, 358 Fed.Appx. 158, 2009 WL 4906521 (Fed. Cir. 2009) (M2009-M916); *In re Apple Inc.*, 374 Fed.Appx. 997 (Fed. Cir. 2010) (2010-M932); *In re Echostar Corp.*, 388 Fed.Appx. 994 (Fed. Cir. 2010) (2010-M933); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010) (2010-M938); *In re Acer America Corp.*, 626 F.3d 1252 (Fed. Cir. 2010) (2010-M942); *In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2010) (2010-M944); *In re Kyocera* 2010-M950 (Fed. Cir. Nov. 15, 2010); *In re Oracle Corp.*, 2010 WL 4286372 (Fed. Cir. 2010) (2010-M951); *In re Vistaprint Ltd.*, 628 F.3d 1342 (Fed. Cir. 2010) (2010-M954); *In re Wyeth*, 2010 WL 5376518 (Fed. Cir. 2010) (2010-M959).

[8] *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008) (2009-M888); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) (2009-M901); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009) (2009-M911); *In re Nintendo Co., Ltd.*, 589 F.3d 1194 (Fed. Cir. 2009) (2010-M914); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010) (2010-M938); *In re Acer America*

A. The explosion of § 1404(a) mandamuses at the Federal Circuit effectively reverses an Act of Congress intended to expand the patent plaintiff's range of choices, not restrict it to the home forum of defendants.

Current events must be put in a broader context of patent venue. In 1988, Congress amended the Judiciary Act to expand corporate venue. 28 U.S.C. § 1391(c), Pub.L. No. 100-702, tit. X, § 1013(a), 102 Stat. 4642, 4669 (1988) ("Judicial Improvements and Access to Justice Act.") The Federal Circuit has explained in considerable detail the ramifications of this amendment on patent venue. *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574 (Fed. Cir. 1990), *cert. denied*, 499 U.S. 922 (1991). Prior to the amendment, patent venue, by dint of a patent-only venue statute, had been restricted to the defendant's state of incorporation, or a place where there was infringement and the defendant had "regular and established place of business." 28 U.S.C. § 1400(b); *VE Holding Corp.*, 917 F.2d at 1577-78. Over time, patent venue came to be recognized as a frozen anomaly amidst the general trend of expanding venue choices. *Id.*, at 1582-83. In 1988, Congress finally unfroze patent venue by making the amended definition of corporate residence applicable "[f]or purposes of venue under this chapter . . ." to the specific patent provision in "this chapter." *Id.* Patent venue was now co-extensive with personal jurisdiction. *Id.*

Corp., 626 F.3d 1252 (Fed. Cir. 2010)(2010-M942); *In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2010)(2010-M944); *In re Oracle Corp.*, 2010 WL 4286372 (Fed. Cir. 2010)(2010-M951).

B. The Federal Circuit has not, and other circuits cannot, analyze how the unique history of patent venue impacts the trial court's range § 1404(a) discretion.

Since the Federal Circuit has sole and exclusive patent jurisdiction, there is no opportunity for the regional circuits to analyze how the unique history of patent venue would impact a district court's § 1404(a) analysis and the permissible range of discretion that would withstand mandamus review. The Federal Circuit itself has not conducted this analysis. For example, the *In re Volkswagen* majority emphasized that they were granting the writ because "none of the facts giving rise to this suit" occurred in the forum of suit. *In re Volkswagen*, 545, F.3d at 316. The Federal Circuit has repeatedly granted the writ in reliance on *In re Volkswagen*.[9] Yet, in patent law, infringing sales give rise to the suit. *Trintec Indus., Inc. v. Pedre Prom. Prod., Inc.*, 395 F.3d. 1275, 1280 (Fed. Cir. 2005).

CONCLUSION

The circuit courts have been in hopeless conflict for sixty years. Litigants have repeatedly petitioned this Court for resolution of the matter. All of the evils seen long ago by Judges Goodrich and Friendly can be seen in this case. Instead of having a jury verdict yea or nay, MedioStream is before this Court as Petitioner. If the transfer writ of the court of appeals is given effect, MedioStream's eventual trial will be

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[9] *See, e.g., In re TS Tech*, 551 F.3d at 319; *In re Genentech*, 566 F.3d at 1341; *In re Hoffman-La Roche*, 587 F.3d at 1336; *In re Nintendo Co. Ltd.*, 589 F.3d at 1197; *In re Zimmer Holdings, Inc.*, 609 F.3d at 1380; *In re Oracle Corp.*, 2010WL 4286372 at *1; *In re Acer America Corp.*, App. at 3a.

before a district court which did not construe the patents, and does not have the benefit of over three years of close and active supervision of this case. Such is the usual result of mandamus review of discretionary § 1404(a) rulings, although the degree here of delay and wasted judicial resources is severe. Now, though, something is happening that neither Judge Goodrich nor Judge Friendly could have foreseen. A specialty circuit with exclusive jurisdiction over all patent cases has ingested the circuit split. As a result, mandamus is being granted with unprecedented frequency, but only in regard to cases from a single regional circuit. Petitioner's plea is that this will be the case in which the writ of certiorari issues.

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APPENDIX

APPENDIX A

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Miscellaneous Docket No. 942

IN RE ACER AMERICA CORPORATION, CYBERLINK.COM CORPORATION, GATEWAY, INC., APPLE, INC., ASUS COMPUTER INTERNATIONAL, INC., DELL, INC., MICROSOFT CORPORATION, NERO AG, NERO, INC., SONIC SOLUTIONS, SONY CORPORATION, AND SONY ELECTRONICS, INC.,

Petitioners.

On Petition for Writ of Mandamus to the United States District Court for the Eastern District of Texas in case no. 2:08-Cv-369, Magistrate Judge Charles Everingham IV.

ON PETITION FOR WRIT OF MANDAMUS

Before GAJARSA, SCHALL, and MOORE, *Circuit* Judges.

SCHALL, *Circuit* Judge.

ELAINE Y. CHOW, K&L Gates LLP, of San Francisco, California, for petitioners Acer America Corp., et al. With her on the petition was HOLLY A. HOGAN.

MARK C. SCARSI, Milbank, Tweed, Hadley & McCloy LLP, of Los Angeles, California, for petitioner Apple Inc.

JOSHUA M. MASUR, Turner Boyd, LLP, of Palo Alto, California, for petitioner ASUS Computer International.

SCOTT F, PARTRIDGE Baker Botts, LLP, of Houston, Texas, for petitioner Dell Inc. With him on the petition was ROGER J. FULGHUM.

GEORGE F. PAPPAS, Covington & Burling LLP, of Washington, DC, for petitioner Microsoft Corporation. With him on the petition were RICHARD L. RAINEY, R. JASON FOWLER and RANGANATH SUDARSHAN. Of counsel was ROGER A. FORD.

M. CRAIG TYLER, Wilson Sonsini Goodrich & Rosati, PC, of Austin, Texas, for petitioners Nero, Inc., et al.

RODERICK M. THOMPSON, Farella Braun & Martel LLP, of San Francisco, California, for petitioner Sonic Solutions. With him on the petition was ANDREW LEIBNITZ.

LEWIS V. POPOVSKI, Kenyon & Kenyon LLP, of New York, New York, for petitioners Sony Corporation, et al. With him on the petition were MICHELLE CARNIAUX and ZAED M. BILLAH.

BYRON W. COOPER, Goodwin Procter LLP, of Menlo Park, California, for respondent MedioStream, Inc. With him on the response were GREGORY SCOTT BISHOP, ANDY H. CHAN and REBECCA L. UNRUH.

ORDER

The twelve petitioners, defendants in a patent infringement action, seek a writ of mandamus to direct the United States District Court for the Eastern District of Texas to vacate its orders denying their motion to transfer venue, and to direct transfer

to the United States District Court for the Northern District of California. The plaintiff in the infringement action, MedioStream, Inc., opposes. Petitioners reply.

MedioStream, a company headquartered in the Northern District of California, brought suit in the Eastern District of Texas against twelve hardware and software companies, five of which are also headquartered in the Northern District of California. The petitioners moved to transfer venue to the Northern District of California pursuant to 28 U.S.C. § 1404(a), which authorizes transfer "[f]or the convenience of parties and witnesses, in the interest of justice." The petitioners argued that trial in the Northern District of California would be convenient for several of the parties and witnesses. The district court denied the motion, based largely on the presence of one petitioner, Dell, Inc., which is headquartered in Round Rock, Texas, which is outside the Eastern District and some 300 miles from Marshall, Texas, where the litigation is pending.

Applying Fifth Circuit law in cases arising from district courts in that circuit, this court has held that mandamus may be used to correct a patently erroneous denial of transfer. *See In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008); *see also In re Volkswagen of Am., Inc.*, 545 F.3d 304 (5th Cir. 2008) (en banc).

In determining whether the transferee venue is clearly more convenient, the Fifth Circuit applies the public and private factors used in *forum non conveniens* analysis. *Volkswagen*, 545 F.3d at 314 n.9. As

we noted in *TS Tech*, the private interest factors include (1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of attendance for willing witnesses; and (4) all other practical problems that make a trial easy, expeditious, and inexpensive. 551 F.3d at 1319. The public interest factors include (1) the administrative difficulties flowing from court congestion; (2) the local interest in having localized interests decided at home; (3) the familiarity of the forum with the law that will govern the case; and (4) the avoidance of unnecessary problems of conflicts of laws or in the application of foreign law. *Id.*

All of the U.S.-based companies in this case except for Dell are headquartered in California, including six com-panies actually located within the Northern District of California. Meanwhile, no party is headquartered in the Eastern District of Texas. Our prior orders in venue transfer cases make clear that the combination of multiple parties being headquartered in or near the transferee venue and no party or witness in the plaintiff's chosen forum is an important consideration. *See Nintendo*, 589 F.3d at 1198 ("[I]n a case featuring most witnesses and evidence closer to the transferee venue with few or no convenience factors favoring the venue chosen by the plaintiff, the trial court should grant a motion to transfer."); *see also Hoffmann*, 587 F.3d at 1336 (emphasizing the stark contrast in relevance, convenience, and fairness between the two venues); *TS Tech*, 551 F.3d at 1320 (same). With that in mind, we

turn to the § 1404(a) factors relevant to the outcome of this petition.[1]

One important factor in a § 1404(a) calculus is the convenience of the witnesses. A substantial number of party witnesses, in addition to the inventor and prosecuting attorneys, reside in or close to the Northern District of California.[2] If all of these witnesses were required to travel to the Eastern District of Texas, the parties would likely incur significant expenses for airfare, meals, and lodging, as well as losses in productivity from time spent away from work. *See Volkswagen*, 545 F.3d at 317. In addition, these witnesses will suffer the "personal costs asso-

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[1] The district court determined without dispute here by the parties that the court congestion, familiarity with governing law, and conflict of law factors do not favor either venue. The parties also do not dispute the district court's proper determination that MedioStream could have originally brought this suit in the Northern District of California.

[2] The inventor, prosecuting patent attorneys, and identified potential employee witnesses of MedioStream all reside within the Northern District of California, with the exception of MedioStream's Chief Technical Officer, who resides in Bedford, Massachusetts. Apple states that all of its potential witnesses are also located in Northern California. ASUS states that many of its potential witnesses would likely reside in Fremont, California, which is in the Northern District of California, and Acer and Gateway state that many of their potential witnesses would likely come from California. Sonic Solutions' Chief Technology Officer, who is also a resident of Northern California, states without contradiction that he is the person in the company who is most familiar with the software development process. Additionally, Nero's executives and at least one of its software developers who authored the source code relevant to these proceedings reside in California. Finally, Sony and Microsoft identified potential witnesses in San Diego, California, and Redmond, Washington, respectively, which are much closer to Northern California than to Eastern Texas.

ciated with being away from work, family, and community." *Id.* These costs would be significantly minimized or avoided by transferring the case to Northern California. MedioStream maintains that the trial court correctly determined that this factor weighed in neither venue's favor because of the potential for more than one Dell employee testifying. The number of Dell witnesses, even if greater than one, will be insignificant, given that the allegation of infringement against Dell is largely based on integrated software of other defendants with headquarters outside of Texas. Thus, the witness convenience factor clearly favors transfer.

The venue's ability to compel testimony through sub-poena power is also an important factor in the § 1404(a) calculus. To the extent, if any, that the subpoena powers of the Eastern District of Texas pursuant to Rule 45(b)(2) of the Federal Rules of Civil Procedure may be invoked with respect to Dell employees, those powers will be of little other use in this case. By comparison, the subpoena powers of the Northern District of California may be expected to be invaluable, in the event process is required to hale relevant witnesses into court. This factor surely tips in favor of transfer.

With regard to the location of likely sources of evidence, it appears that a significant portion of the evidence will be located within the Northern District of California. MedioStream's sources of proof are likely located within the Northern District of California, along with the records of the prosecuting patent attorneys. Acer's allegedly infringing products were "researched, designed, developed and tested within California," and "[a]ll decisions regarding marketing, sales, and pricing of any such allegedly infringing

products would have occurred predominantly in California." Pet'r's App. 49. According to ASUS's disclosures, "[a]ll decisions regarding marketing, sales, and pricing of any such allegedly infringing products would have occurred predominantly in Fremont," which is within the Northern District of California. Pet'r's App. 61. Apple's evidence is likely to be in Northern California, where Apple states its technical research, design, development, and testing work regarding the accused products occurs. Sonic Solutions has primary offices in Northern California which likely house potential sources of proof. Finally, Nero has its primary offices in California and its sources of proof will therefore likely be located much closer to the transferee venue.

In comparison, no party identified any likely source of proof in the Eastern District of Texas. Yet, the district court concluded that this point was not enough to weigh this factor in favor of transfer. While Dell may be a significant source of evidence, Dell's headquarters lies outside the Eastern District of Texas. In any event, it is unreasonable to suggest that Dell's evidence alone could outweigh the convenience of having the evidence from multiple defendants located within the transferee venue of trial. Thus, the sources of proof factor also weighs significantly in favor of transfer.

The local interest factor also strongly favors transfer. While the sale of an accused product offered nationwide does not give rise to a substantial interest in any single venue, if there are significant connections between a particular venue and the events that gave rise to a suit, this factor should be weighed in that venue's favor. *Hoffmann*, 587 F.3d at 1338. Here, unlike the Eastern District of Texas, the

Northern District of California has a localized interest in this matter. The company asserting harm and many of the companies alleged to cause that harm are all residents of that district, as are the inventor and patent prosecuting attorneys whose work may be questioned at trial.

In sum, the convenience of the parties and witnesses, the sources of proof, the local interest, and the compulsory process factors all significantly favor transfer. Meanwhile, no factor remotely favors keeping this case in the Eastern District of Texas. Although Dell may be a likely source of evidence at trial and is closer to the Eastern District of Texas, the district court's conclusion that Dell's presence in Texas was enough to preclude transfer here is in our view a clear abuse of discretion. We therefore grant the petition.

Accordingly,

IT IS ORDERED THAT:

The petition for a writ of mandamus is granted. The District Court for the Eastern District of Texas is directed to vacate its orders denying petitioners' motion to transfer venue, and to direct transfer to the United States District Court for the Northern District of California.

FOR THE COURT

December 3, 2010
Date

/s/ Jan Horbaly
Jan Horbaly
Clerk

cc: Joshua M. Masur, Esq.
Elaine Y. Chow, Esq.
Mark C. Scarsi, Esq.
Scott F. Partridge, Esq.

George F. Pappas, Esq.
M. Craig Tyler, Esq.
Roderick M. Thompson, Esq.
Lewis V. Popovski, Esq.
Byron W. Cooper, Esq.
Clerk, United States District Court
For The Eastern District Of Texas

APPENDIX B

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

[Filed Jan 13 2011]

IN RE ACER AMERICA CORPORATION, CYBERLINK.COM CORPORATION, GATEWAY, INC., APPLE, INC., ASUS COMPUTER INTERNATIONAL, DELL INC.; MICROSOFT CORPORATION, NERO AG, NERO, INC., SONIC SOLUTIONS, SONY CORPORATION, AND SONY ELECTRONICS, INC.,
Petitioners.

Miscellaneous Docket No. 942

On Petition for Writ of Mandamus to the United States District Court for the Eastern District of Texas in consolidated case nos. 08-CV-0369 and 07-CV-0376, Magistrate Judge Charles Everingham IV.

Before GAJARSA, SCHALL, and MOORE, *Circuit Judges*.
PER CURIAM.

ORDER

Upon consideration of Acer America Corporation et al.'s motion to amend the court's December 3, 2010 order,

IT IS ORDERED THAT:

IN RE ACER AMERICA

The motion is granted. An errata accompanies this order.

FOR THE COURT

JAN 13 2011
Date

/s/ Jan Horbaly
Jan Horbaly
Clerk

cc: Joshua M. Masur, Esq.
Elaine Y. Chow, Esq.
Mark C. Scarsi, Esq.
Scott F. Partridge, Esq.
George F. Pappas, Esq.
M. Craig Tyler, Esq.
Roderick M. Thompson, Esq.
Lewis V. Popovski, Esq.
Byron W. Cooper, Esq.
Clerk, United States District Court for the Eastern District Of Texas

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

January 13, 2011
ERRATA

Appeal No. 2010-M942

IN RE ACER AMERICA CORPORATION, CYBERLINK.COM CORPORATION, GATEWAY, INC., APPLE, INC., ASUS COMPUTER INTERNATIONAL, DELL INC.; MICROSOFT CORPORATION, NERO AG, NERO, INC., SONIC SOLUTIONS, SONY CORPORATION, AND SONY ELECTRONICS, INC.,
Petitioners.

Decided: December 3, 2010
Precedential Order

Please make the following change:

Page 4, line 17, change "except for Dell" to—except for Dell and Microsoft—

APPENDIX C

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

CIVIL ACTION NO. 2:07CV376

MEDIOSTREAM, INC.

vs.

ACER AMERICA CORP., ET AL.

MEMORANDUM OPINION AND ORDER

1. Introduction

In this patent infringement case, the plaintiff, MedioStream, Inc. ("MediStream"), seeks damages for infringement of United States Patent No. 7,009,655 B2 ("the '655 patent") and U.S. Patent No. 7,283,172 ("the '172 patent"). The defendants are Acer America Corporation ("Acer"), Apple Computer, Inc. ("Apple"), Dell, Inc. ("Dell"), Gateway, Inc. ("Gateway"), ASUS Computer International, Inc. ("ASUS"), CyberLink, Inc. ("CyberLink"), Sony Electronics, Inc. ("Sony"), Nero, Inc. ("Nero") and Sonic Solutions ("Sonic"). Acer, Apple, ASUS, Gateway, and Cyberlink have filed a motion to transfer venue (#63). For the following reasons, the motion is denied.

2. Discussion

A. Factual Background and Procedural Posture

The plaintiff, MedioStream, is a California corporation with its principal place of business in Los Altos, California. The named inventor on both patents-in-suit

is Qiang Huang. Mr. Huang resides in San Francisco, California. Acer is a California corporation with its principal place of business in San Jose, California. Apple is a Delaware corporation with its principal place of business in Cupertino, California. ASUS is a California corporation with its principal place of business in Fremont, California. Dell is a Delaware corporation with its principal place of business in Round Rock, Texas. Gateway is a Delaware corporation with its principal place of business in Irvine, California. Sony is a Delaware corporation with its principal place of business in San Diego, California. CyberLink is a California corporation with its principal place of business in Fremont, California. Nero is a Delaware corporation with its principal place of business in Glendale, California. Sonic is a California corporation with its principal place of business in Novato, California.

On August 28, 2007, MedioStream filed this case, alleging infringement of the '655 patent against Acer, Apple, Dell and Gateway. On September 5, 2007, MedioStream filed an Amended Complaint, adding ASUS as a defendant. On November 9, 2007, MedioStream filed a Second Amended Complaint, adding Sony, CyberLink, Nero, and Sonic Solutions. MedioStream also added claims for infringement of the '172 patent, which issued on October 16, 2007. Also in the Second Amended Complaint, MedioStream joined supplemental claims under California state law for misappropriation of trade secrets, conversion, unjust enrichment, and unfair competition against Sonic and Sony.

According to the response to the motion to transfer venue, the accused products are computer systems and software sold by the defendants. The systems

and software are sold throughout the United States, including within this district. Although all of the defendants are alleged to sell accused products throughout the United States, Dell is alleged to be the largest seller of infringing products. According to the plaintiff, Dell sells approximately twice the number of infringing systems as all of the other defendants combined.

On January 25, 2007, Acer, Apple, ASUS, Gateway and CyberLink filed a motion to transfer venue to the Northern District of California. The primary basis for the motion is that most of the parties have their principal United States operations in California and therefore the California court has a stronger connection to the case than this court. A secondary point is that the plaintiff joined certain California state law claims against certain defendants and the facts underlying those claims occurred in California. Although Dell did not join in the motion, it filed a statement of non-opposition to the motion. The motion is fully briefed and ripe for decision.

B. Discussion

The governing statute provides: "[for the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought." 28 U.S.C. § 1404(a). To determine whether a transfer is proper, a district court first assesses whether the case might have been brought in the proposed transferee district. *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004). If so, then the court addresses the various private and public interest factors to determine whether a transfer is warranted. *Jacobs Chuck Manufacturing Co. v. Shandong Weida Machinery Co., Ltd.*, 2005 WL 3543151 * 1 (E.D. Tex.

2005). In this case, there is no dispute that the case might have been brought in the Northern District of California. As such, the court will address the private and public interest factors relevant to the transfer decision.

The court begins with the plaintiff's choice of forum. Here, the plaintiff selected this forum, and that selection is entitled to deference unless the convenience factors justify a transfer. *See In re Horseshoe Entertainment*, 337 F.3d 429, 434 (5th Cir. 2003)("We believe that it is clear under Fifth Circuit precedent that the plaintiff's choice of forum is clearly a factor to be considered but in and of itself it is neither conclusive nor determinative"); *Schexnider v. McDermott Int'l, Inc.*, 817 F.2d 1159, 1163 (5th Cir. 1987); *HolyAnne Corp. v. Corp. v. TFT, Inc.*, 199 F.3d 1304, 1307 n.2 (Fed. Cir. 1999)("A transfer of venue for the convenience of the parties normally requires that the court give great weight to the plaintiff's choice of forum and then weigh the convenience of both parties.").

The determination of "convenience" turns on a number of private and public interest factors, none of which is given dispositive weight. *In re Volkswagen AG*, 371 F.3d at 203. The private interest factors examine the relative ease of access to sources of proof, the availability of compulsory process to secure the attendance of witnesses, the cost of attendance for willing witnesses and all other practical problems that make trial of a case easy, expeditions and inexpensive. *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 241 n. 6 (1981). The public interest factors involve the administrative difficulties caused by court congestion, the local interest in adjudicating local disputes, the unfairness of burdening citizens in an unrelated

forum with jury duty, and the avoidance of unnecessary problems in conflict of laws. *Id.*

The plaintiff's choice of forum weighs in favor of retaining the case in this court. With respect to the private interest factors, most of the parties are centered in California. It would therefore be more convenient for the parties and their employee witnesses in California to litigate in the Northern District of California. However, as the plaintiff points out, Dell is located in Texas and is alleged to have sold twice the number of accused systems than all of the other parties combined. For its part, the plaintiff assumed any inconvenience of a trial in Marshall when it selected this forum. The plaintiff also states that it is agreeable to deposing the California witnesses in California. Finally, as this court has previously observed, most patent cases involve testimony from retained experts located across the country and/or from other parts of the world. The convenience of expert witnesses is generally accorded little weight in the transfer analysis. *Jacobs Chuck*, 2005 WL 3543151 at *3. On balance, this factor weighs in favor of a transfer. However, the court determines that the extent of inconvenience to the defendants is overstated, particularly in light of the plaintiff's willingness to depose the California witnesses in California and Dell's presence as a defendant in this case.

With respect to practical problems, such as the location of evidence, any documentary proof can be as easily transported to Marshall for trial as to the Northern District of California. Indeed, much discovery in patent cases is now exchanged electronically. *Cummins-Allison Corp. v. Glory Ltd.*, 2004 WL 1635534 at *6 (E.D. Tex. 2004). Accordingly, this factor is neutral.

The Fifth Circuit has stated that the possibility of prejudice and delay arising from transfer is relevant only in rare circumstances. *In re Horseshoe Entertainment*, 337 F.3d at 434. This factor is not implicated in this case.

Further, most of the public interest factors do not support a transfer. The defendants sell the accused systems throughout the United States, including in this district. As such, there is a local interest in adjudicating this dispute, and it is not unfair to burden the citizens of this district with jury duty. Moreover, any administrative difficulties with court congestion are negligible, and this factor is neutral. Finally, the case arises under federal patent law and there are no problems relating to conflict of laws on the patent issues. However, there are also claims brought under California law. As to those claims, it is likely that a California court would be more familiar with the law governing those issues. Nevertheless, the primary claims asserted in this case involve patent issues, and the court is not persuaded that the California claims warrant a transfer of venue.

3. Conclusion

Having considered the relevant factors under 28 U.S.C. § 1404(a), the court declines to transfer venue in this case. As such, the court denies the defendants' motion to transfer (#63).

SIGNED this 26th day of September, 2008.

CHARLES EVERINGHAM IV

CHARLES EVERINGHAM IV
UNITED STATES MAGISTRATE JUDGE

APPENDIX D

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

Civil Action No. 2:07-CV-376 (CE)

MEDIOSTREAM, INC.,
Plaintiff,

v.

ACER AMERICA CORP.; APPLE INC.; ASUS COMPUTER INTERNATIONAL, INC.; CYBERLINK INC.; DELL INC.; GATEWAY, INC.; NERO INC.; NERO AG; SONIC SOLUTIONS; SONY ELECTRONICS INC.; SONY CORP.; SONY COMPUTER ENTERTAINMENT INC.; AND SONY COMPUTER ENTERTAINMENT AMERICA INC.,
Defendants

ORDER GRANTING UNOPPOSED MOTION TO WITHDRAW DEFENDANT SONIC SOLUTIONS' MOTION TO ABATE CASE PENDING ARBITRATION (OR, IN THE ALTERNATIVE, TO TRANSFER VENUE), DKT. NO. 117

JURY TRIAL

Dkt. No. 117, defendant Sonic Solutions' Motion to Abate Case Pending Arbitration (Or, In The Alternative, To Transfer Venue) is hereby withdrawn.

SIGNED this 4th day of March, 2009.

/s/ CHARLES EVERINGHAM IV
CHARLES EVERINGHAM IV
UNITED STATES MAGISTRATE JUDGE

APPENDIX E

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

Civil Action No. 2:08CV369

MEDIOSTREAM, INC.

vs.

MICROSOFT CORPORATION

MEMORANDUM OPINION AND ORDER

In these consolidated cases, the defendants in Case No. 2:07CV376 have filed a motion for leave to file a surreply in support of certain defendants' motion for reconsideration (#232); the defendants in Case No. 2:07CV376 have also filed a motion for reconsideration (#206) of the court's order denying the motion to transfer venue; and, in Case No. 2:08CV369, Microsoft Corporation ("Microsoft") has filed a motion to transfer venue (#15).

The court grants the motion for leave to file a surreply (#232) in Case No. 2:07CV376. The court denies both the motion to reconsider (#206) in Case No. 2:07CV376 and the motion to transfer (#15) in Case No. 2:08CV369.

1. Factual Background and Procedural Posture

The plaintiff, MedioStream, Inc. ("MedioStream"), is a California corporation with its principal place of business in Los Altos, California. MedioStream seeks

damages for infringement of United States Patent Nos. 7,009,655 B2 ("the '655 patent") and 7,283,172 ("the '172 patent"). The named inventor on both patents-in-suit is Qiang Huang. Mr. Huang resides in San Francisco, California.

In Case No. 2:07CV376, the defendants include Acer America Corporation ("Acer"), Apple Computer, Inc. ("Apple"), ASUS Computer International, Inc. ("ASUS"), Dell, Inc. ("Dell"), Gateway, Inc. ("Gateway"), Sony Electronics Inc. ("SEL"), CyberLink.com Corporation ("CyberLink"), Nero, Inc. ("Nero"), Nero AG, Sonic Solutions ("Sonic"), and Sony Corporation.

Acer is a California corporation with its principal place of business in San Jose, California. Apple is a Delaware corporation with its principal place of business in Cupertino, California. ASUS is a California corporation with its principal place of business in Fremont, California. Dell is a Delaware corporation with its principal place of business in Round Rock, Texas. Gateway is a Delaware corporation with its principal place of business in Irvine, California. SEL is a Delaware corporation with its principal place of business in San Diego, California. CyberLink is a California corporation with its principal place of business in North America in Fremont, California. Nero is a Delaware corporation with its principal place of business in Glendale, California. Nero AG is a German corporation with its principal place of business in Karlsbad, Germany. Sonic is a California corporation with its principal place of business in Novato, California. Sony Corporation is a Japanese corporation with its principal place of business in Tokyo, Japan.

Of these defendants, Acer, Apple, ASUS, Dell, Gateway, SEL, and Sony Corporation manufacture computer and electronics products that are alleged to infringe various claims of the patents-in-suit. By far, Dell has the largest number of systems accused in this case. The other defendants, CyberLink, Nero, Nero AG, and Sonic, develop software alleged to infringe the patents-in-suit. The infringement contentions against Acer, ASUS, Dell, Gateway, SEL, and Sony Corporation are based on the incorporation of the software products into the computer and electronics products sold by these manufacturers.

With respect to the software defendants, Nero AG appears to be the entity that produces Nero's software. The development of this software, therefore, likely occurs in Karlsbad, Germany. Defendant CyberLink has indicated that its software is created in Taiwan. Its witnesses are identified as being located in Taiwan. The plaintiff also contends that Sonic opened an office in China after MedioStream did. The plaintiff maintains that Sonic began hiring away MedioStream's employees and "almost certainly" develops its software products in China.

In Case No. 2:07CV376, the defendants filed a motion to transfer venue to the Northern District of California. The court issued an order on September 26, 2008 denying the motion. On October 10, 2008, the Fifth Circuit decided *In re Volkswagen of America, Inc.*, 545 F.3d 304 (5th Cir. 2008) (en banc). On December 5, 2008, the defendants filed a motion to reconsider the order denying the motion to transfer (#206).

Meanwhile, on September 30, 2008, MedioStream filed a separate lawsuit against Microsoft Corporation, asserting infringement of the same two patents

as in Case No. 2:07CV376. The Microsoft action was designated Case No. 2:08CV369 and was assigned to Chief Judge David Folsom. Microsoft moved to transfer venue to the Northern District of California (#15), asserting that the Northern District of California was the center of gravity for the litigation and that its own witnesses in Washington would be closer to the Northern District of California. The parties then consented to trial before the undersigned, and the case was accordingly reassigned. On February 24, 2009, the parties filed a joint motion to consolidate Case No. 2:07CV376 with Case No. 2:08CV369. The court granted the motion on February 26, 2009 and designated Case No. 2:08CV369 as the lead case.

During the pendency of the motion to reconsider and Microsoft's motion to transfer venue, the Federal Circuit decided *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008), and, more recently, *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) and *In re Volkswagen of America, Inc.*, 566 F.3d 1349 (Fed. Cir. 2009). The court has considered all of these decisions in the course of evaluating the motion to reconsider and the motion to transfer.

2. Discussion

A. Governing Law

Section 1404(a) provides: "For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought." 28 U.S.C. § 1404(a). A district court has broad discretion in deciding whether to transfer venue pursuant to this statute. *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 311 (5th Cir. 2008) (en banc). The defendant has the burden to show "good cause"

that transfer is appropriate. *Id.* at 315 ("[I]n order to support its claim for a transfer, [defendant] must satisfy the statutory requirements and clearly demonstrate that a transfer is for the convenience of the parties and witnesses, in the interest of justice."). The party moving for a transfer of venue must show that the proposed transferee venue is "clearly more convenient." *Id.*

The first issue the court must consider is whether the proposed transferee venue is a court in which the action might have been brought. *Id.* at 312. If it is, then the court must consider and balance the convenience of the parties in both venues. *Id.* at 314-15. The balancing involves the consideration of several private and public interest factors, none of which is dispositive. *Id.* A plaintiff's choice of venue is "highly esteemed." *Time, Inc. v. Manning*, 366 F.2d 690, 698 (5th Cir. 1966). In a § 1404(a) analysis, however, the plaintiff's choice of venue is not a separate factor to consider. *In re Volkswagen of Am.*, 545 F.3d at 314-15. And, although the private and public interest factors usually guide the court's decision on transfer motions, those factors are not necessarily "exhaustive or exclusive." *Id.* at 315.

In this case, the proposed transferee court is a venue in which the case might have been brought. Therefore, the court will evaluate the motion to reconsider and the motion to transfer by considering the private and public interest factors.

B. Private Interest Factors

The private interest factors to be weighed by the court include (1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of

attendance for willing witnesses; and (4) all other practical problems that make trial of a case easy, expeditious, and inexpensive. *In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008); *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004) ("*Volkswagen I*") (citing *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 241 n.6 (1981)).

1. Relative Ease of Access to Sources of Proof

The first factor focuses on the locations of sources of proof. "That access to some sources of proof presents a lesser inconvenience now than it might have absent recent developments does not render this factor superfluous." *In re Volkswagen*, 545 F.3d at 316. As Chief Judge Folsom has noted, "[t]his factor almost invariably turns on which party will most likely have the greater volume of relevant documents and their presumed physical location in relation to the venues under consideration." *LML Patent Corp. v. JP Morgan Chase & Co.*, No. 2:08-CV-448 (Dkt. #238) (E.D. Tex. Aug. 3, 2009) (citing *Volkswagen*, 545 F.3d at 314-15; *TS Tech*, 551 F.3d at 1320-21).

Because some of the parties are headquartered in the Northern District of California, some of the documentary evidence is likely located there. The locations of other sources of proof include Round Rock, Texas (Dell's headquarters), Germany (Nero AG), and Japan (Sony entities). Defendant CyberLink has stated that its software is created in Taiwan. Microsoft's evidence is likely located in Washington. A transfer of venue to the Northern District of California would make it easier for the defendants headquartered in or near that district to bring their evidence to trial. However, because Dell's evidence is located much closer to this venue, and other evidence is scattered around the world, this factor is neutral.

In particular, the majority of the accused hardware products are Dell systems. Although Dell contends that the infringement claims against it are derived from software sold to Dell by third parties, it is still likely that a substantial number of Dell's documents will be material to this case. The proximity of Dell's evidence distinguishes the present case from *In re Genentech*, where the court held that, because two of the three parties were headquartered in or had facilities in California, a transfer "would reduce significantly any transportation of documents relating to the accused products." *In re Genentech*, 566 F.3d at 1348. Given the number of accused Dell systems, a transfer would increase the cost of transporting these documents to trial.

2. Compulsory Process of Witnesses

This factor is concerned with the court's ability to compel non-party witnesses to attend trial. It will generally tip in favor of a transfer when more non-party witnesses reside within the proposed venue than in the plaintiff's chosen venue. *In re Volkswagen of Am.*, 545 F.3d at 316. This factor weighs most strongly in favor of a transfer of venue when the proposed transferee forum has absolute subpoena power over all of the third-party witnesses. *See id.* at 316-17.

The court's task is complicated in this case because the parties have not identified where the vast majority of the witnesses are located. Attached as Exhibits B-J of MedioStream's Surreply in Opposition to the Motion for Reconsideration are the parties' initial disclosures. The court has carefully reviewed these disclosures, but they are largely lacking in specificity as to where the majority of the witnesses reside. To be sure, there are several non-party witnesses located

within the subpoena power of the Northern District of California. These include the prosecuting attorneys and certain former employees of the plaintiff. Also, Acer urges that it is accused of infringement because it incorporates software made by non-party NewTech Information Systems, Inc. ("NewTech"), and NewTech is located within the subpoena power of the Northern District of California. In contrast, neither party has identified a non-party witness in this district. It appears, however, that neither this court nor the Northern District of California have "absolute subpoena power" over all of the nonparty witnesses. The Northern District of California's subpoena power has significance, though, and ultimately the court decides that this factor weighs in favor of a transfer. The court declines to give this factor dispositive weight, however, given the lack of information contained in the parties' disclosures.

3. The Cost of Attendance for Willing Witnesses

This factor is neutral. The prosecuting attorneys and those party witnesses who reside in California will have less distance to travel to trial if the case is transferred to the Northern District of California. Likewise, Microsoft's witnesses located in the Redmond, Washington area would also have to travel a much shorter distance to a trial in the transferee forum. Nevertheless, many other party witnesses reside either in Texas or in Taiwan, Germany, or the People's Republic of China. Although Dell's initial disclosures identified only a single party witness, the plaintiff has accused numerous Dell systems of infringement in this case. The record suggests that the vast majority of discovery from the hardware defendants will involve Dell. Although the defendants downplay these allegations, the court must

consider the claims against Dell in the transfer calculus. *See In re Volkswagen AG*, 371 F.3d at 204 ("Given the broad generic applicability of the term 'parties' and the term 'witnesses,' such terms contemplate consideration of the parties and witnesses in all claims and controversies properly joined in a proceeding.") (emphasis added). It is therefore likely that a number of Dell witnesses will be involved in answering these claims. The Dell witnesses are much closer to this court than to the proposed transferee court. The developers of the accused software in Case No. 2:07CV376 reside overseas in Germany, Taiwan, and possibly China. They will have to travel a long distance no matter where the case is tried. *See In re Genentech*, 566 F.3d at 1344. On balance, the court finds that this factor is neutral.

4. Other Practical Problems

Neither side addresses this factor in detail, and the court determines that it is neutral.

C. Public Interest Factors

The public interest factors include (1) the administrative difficulties flowing from court congestion, (2) the local interest in having localized controversies decided at home, (3) the familiarity of the forum with the law that will govern the case, and (4) the avoidance of unnecessary problems of conflict of laws or in the application of foreign law. *In re Volkswagen*, 545 F.3 d at 315.

1. Administrative Difficulties Flowing From Court Congestion

The court is persuaded that both this court and the Northern District of California can efficiently handle this matter. As such, the factor is neutral.

2. The Local Interest in Having Localized Controversies Decided at Home

The accused products are sold nationwide. The fact that they are sold into Texas or into this district does not give this court more of a local interest in deciding this case than any other district court. *In re Volkswagen*, 545 F.3d at 318; *In re TS Tech*, 551 F.3d at 1321. Many of the parties to this case have their principal offices in the Northern District of California. Microsoft's headquarters are in Washington. However, Dell is headquartered in Texas, and some others, including Nero AG and Sony Corporation are headquartered overseas. Because the plaintiff and several defendants are headquartered in the Northern District of California, however, that court has a stronger local interest in the resolution of this case than this court does. This factor therefore weighs in favor of a transfer.

3. The Court's Familiarity with the Governing Law

This factor is neutral. Contrary to the defendants' arguments, the presence or absence of a claim under California state law directly impacts this issue. Although the plaintiff previously asserted a California state law claim against three of the defendants in Case No. 2:07CV376, it has dropped those allegations. This factor is therefore neutral.

4. The Avoidance of Unnecessary Problems of Conflict of Laws

This factor is neutral, as no party has identified any problems involving conflict of laws.

3. Conclusion

The court has balanced the private and public interest factors. Most of the factors are neutral. The availability of compulsory process tips in favor of a transfer. The local interest in resolving the dispute also weighs in favor of a transfer. The presence of substantial infringement allegations against Dell, however, weighs against many of the factors that would otherwise strongly favor a transfer to the Northern District of California. On balance, the defendants have not demonstrated that the proposed transferee court is "clearly more convenient" for the trial of this case. The motion to reconsider the motion to transfer venue is denied in Case No. 2:07CV376. Microsoft's motion to transfer venue in Case No. 2:08CV369 is also denied.

Signed this 30th day of September, 2009

/s/ Charles Everingham IV
Charles Everingham IV
UNITED STATES MAGISTRATE JUDGE

APPENDIX F

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

[Filed 06/16/10]

CASE NO. 2:08-CV-369-CE

MEDIOSTREAM, INC.

vs.

MICROSOFT CORPORATION

ORDER

Pending before the court is the defendants Acer America Corporation's, ASUS Computer International, Inc.'s, CyberLink.com Corporation's, Dell, Inc.'s, Gateway, Inc.'s, Microsoft Corporation's, Nero AG's, Nero, Inc.'s, Sonic Solutions's, Sony Corporation's, and Sony Electronics Inc.'s motion for reconsideration (Dkt. No. 153) of the order denying venue transfer. Counting the motion under consideration, the defendants have filed four motions seeking transfer of venue, including two motions for reconsideration. (Dkt. Nos. 15 & 153); 2:07-cv-376 (Dkt. Nos. 63 & 206). All three of the prior motions were denied. (Dkt. No. 127); 2:07-cv-376 (Dkt. No. 152).

In their motion for reconsideration, the defendants cite two recent decisions, *In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009) and *In re Hoffmann-La Roche Inc.*, 587 F. 3d 1333 (Fed. Cir. 2009), in which the Federal Circuit ordered the district court to grant

venue transfer. The court is not persuaded that the holdings of *In re Nintendo* and *In re Hoffmann-La Roche* warrant reconsideration of the orders denying venue transfer in this case. Therefore, the defendants' motion to reconsider is DENIED.

SIGNED this 16th day of June, 2010.

CHARLES EVERINGHAM IV
CHARLES EVERINGHAM IV
UNITED STATES MAGISTRATE JUDGE

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Supreme Court, U.S.
FILED
APR 6 - 2011
OFFICE OF THE CLERK

No. 10-1090

IN THE
Supreme Court of the United States

MEDIOSTREAM, INC.,

Petitioner,

v.

ACER AMERICA CORP., APPLE INC., ASUS COMPUTER INTERNATIONAL, INC., CYBERLINK.COM CORP., DELL, INC., GATEWAY, INC., MICROSOFT CORP., NERO AG, NERO, INC., SONIC SOLUTIONS LLC, SONY CORP., AND SONY ELECTRONICS INC.,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

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PARTIES TO THE PROCEEDING AND RULE 29.6 STATEMENT

All parties below are named in the caption.

Pursuant to this Court's Rule 29.6, undersigned counsel state that:

The parent company of Acer America Corp. is Boardwalk Capital Holding, Ltd., which owns 100% of its stock. The parent company of Boardwalk Capital Holding, Ltd. is Gateway, Inc., which owns 100% of its stock.

Apple Inc. has no parent company and no other publicly held company owns 10% or more of its stock.

The parent company of ASUS Computer International, Inc. is ASUSTeK Computer Inc., which owns 100% of its stock. ASUSTeK Computer Inc. has no parent company and no other publicly held company owns 10% or more of its stock.

The parent company of CybyerLink.com Corp. is CyberLink Corp., which owns 100% of its stock. CyberLink Corp. has no parent company and no other publicly held company owns 10% or more of its stock.

Dell, Inc. has no parent company and no other publicly held company owns 10% or more of its stock.

The parent company of Gateway, Inc. is Acer American Holdings Corp., which owns 100% of its stock. The parent company of Acer American Holdings Corp. is Acer Inc. Acer Inc. has no parent company and no other publicly held company owns 10% or more of its stock.

Microsoft Corp. has no parent company and no other publicly held company owns 10% or more of its stock.

QUESTION PRESENTED

This Court has held that a court of appeals may issue a writ of mandamus to reverse a district court's "'clear abuse of discretion.'" *Cheney v. U.S. Dist. Court for D.C.*, 542 U.S. 367, 380 (2004) (quoting *Bankers Life & Cas. Co. v. Holland*, 346 U.S. 379, 383 (1953)). This Court also has held that a district court abuses its discretion when it "base[s] its ruling on an erroneous view of the law or on a clearly erroneous assessment of the evidence." *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 405 (1990). Is a court of appeals precluded from issuing a writ of mandamus to reverse a district court's denial of a motion to transfer venue (28 U.S.C. § 1404(a)) that is based upon a patently erroneous assessment of the facts relating to the convenience of parties and witnesses?

Nero AG has no parent company and no other publicly held company owns 10% or more of its stock.

The parent company of Nero, Inc. is Nero AG, which owns 100% of its stock.

The parent company of Sonic Solutions LLC is Sonic Holdings, Inc., which owns 100% of its stock. The parent company of Sonic Holdings, Inc. is Rovi Corporation, which owns 100% of its stock. Rovi Corporation has no parent company and T. Rowe Price and Associates owns more than 10% of its stock.

The parent company of Sony Electronics Inc. is Sony Corporation of America, which owns 100% of its stock. The parent company of Sony Corporation of America is Sony Americas Holdings Inc., which owns 100% of its stock. The parent company of Sony Americas Holdings Inc. is Sony Corp., which owns 100% of its stock.

Sony Corp. has no parent company and no other publicly held company owns 10% or more of its stock.

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BRIEF IN OPPOSITION

Respondents respectfully submit this brief in opposition to the petition for a writ of certiorari filed by MedioStream, Inc.

STATEMENT

Petitioner is correct that this case involves the "distort[ion] [of] patent venue" (Pet. 17), except that it is not the Federal Circuit that is causing the distortion. It is, instead, the fact that a disproportionate volume of patent cases are filed in the Eastern District of Texas with no discernible connection to that forum.

In this patent-infringement action, the plaintiff, MedioStream, Inc., sued twelve companies in the Eastern District of Texas, even though no party, not even the plaintiff, had any meaningful connection to that district. That choice of forum was not unusual: Over the past decade, plaintiffs in patent-infringement actions have filed lawsuits in the Eastern District of Texas in numbers out of all proportion to that district's size and population. As here, the cases often have no meaningful connection to the district, aside from, perhaps, the plaintiff's sudden reincorporation or establishment of an office in the district shortly before initiating litigation. Despite that, motions to transfer venue under 28 U.S.C. § 1404(a) to forums with far more substantial connections to the suits often are denied.

Recently, in the wake of an *en banc* decision of the Fifth Circuit reemphasizing the "clear abuse of discretion" standard for mandamus relief in § 1404(a) orders, *see In re Volkswagen of Am., Inc.*, 545 F.3d 304 (5th Cir. 2008), *cert. denied*, 129 S. Ct. 1336 (2009), the Federal Circuit has exercised its own supervisory authority over actions filed in the

Eastern District by issuing writs of mandamus requiring a transfer of venue in some of the clearest instances where the cases should not have been filed in the Eastern District. In doing so, the Federal Circuit has faithfully applied this Court's precedents on the standard of review for mandamus petitions, issuing the writ only when the district court committed a "'clear abuse of discretion'" and where the defendants' entitlement to the writ was "'clear and indisputable.'" *Cheney v. U.S. Dist. Court for D.C.*, 542 U.S. 367, 380, 381 (2004) (quoting *Kerr v. U.S. Dist. Court for N. Dist. of Cal.*, 426 U.S. 394, 403 (1976); *Bankers Life & Cas. Co. v. Holland*, 346 U.S. 379, 383 (1953)).

MedioStream now argues, in substance, that the *en banc* Fifth Circuit incorrectly resolved the question whether the "clear abuse of discretion" standard permits a reviewing court to reverse a decision predicated on a clearly erroneous view of the facts. MedioStream contends that the Fifth Circuit's determination that a decision predicated on a patently erroneous view of the facts relating to transfer can qualify as a clear abuse of discretion warranting mandamus relief, and the Federal Circuit's faithful and indisputably correct application of that standard in the instant case, depart from decisions of other courts of appeals. MedioStream is incorrect. At the threshold, MedioStream never raised this issue before the Federal Circuit; MedioStream never argued—not even in a petition for rehearing—that the Fifth Circuit's *en banc* decision in *Volkswagen* is incorrect or otherwise maintained that review of the district court's transfer decision must be limited to an analysis of whether the district court intoned the correct legal standard. MedioStream instead cited *Volkswagen* for the proposition that the Federal Circuit could issue a writ of mandamus if the defendants demonstrated "that the district court clearly abused

its discretion" and argued that the district court's transfer decision "is adequately supported in the record." MedioStream C.A. Br. at 2, 11.

Even putting aside that forfeiture, there is no division of authority among the circuits on the question presented that warrants this Court's intervention. MedioStream relies almost exclusively on cases from the 1950s. But in the intervening 60 years, this Court has repeatedly reiterated that a district court's order may be reversed on mandamus review for a "clear abuse of discretion," *Cheney*, 542 U.S. at 380 (internal quotation marks omitted), and it is axiomatic that a decision based on "a clearly erroneous assessment of the evidence" constitutes an abuse of such discretion. *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 405 (1990).

1. In recent years, the Eastern District of Texas has become a magnet for patent-infringement lawsuits. *See Micron Tech., Inc. v. Mosaid Techs., Inc.*, 518 F.3d 897, 905 (Fed. Cir. 2008) (referring to "the well-known patent forum of the Eastern District of Texas"). From 2002, "[i]t took only five years for [the Eastern District city of] Marshall to grow . . . to the second-busiest patent docket in the country, ahead of New York, Chicago, Washington and San Francisco and closely trailing Los Angeles, the perennial leader of IP litigation." Yan Leychkis, *Of Fire Ants and Claim Construction: An Empirical Study of the Meteoric Rise of the Eastern District of Texas as a Preeminent Forum for Patent Litigation*, 9 Yale J.L. & Tech. 193, 195 (2007). The Eastern District "handled nearly thirteen percent of all patent cases in 2008, the highest proportion in the country." Jeanne C. Fromer, *Patentography*, 85 N.Y.U. L. Rev. 1444, 1445 (2010); *see also* Elizabeth P. Offen-Brown, Note, *Forum Shopping and Venue Transfer in Patent Cases*, 25 Berkeley Tech. L.J. 61, 70 (2010) (showing that the Eastern District remained the second-leading fo-

rum for filing patent suits in 2009, behind the Central District of California).

Yet these suits often have no meaningful connection to the Eastern District of Texas. The defendants are frequently technology firms based on the West Coast. The patented method or system also typically was invented in a different State. In response to this proliferation of suits in the Eastern District, defendants have increasingly filed transfer-of-venue motions under § 1404(a) to have their cases moved to a more convenient forum. But these motions are often denied—even where, as here, the Eastern District has no real link to the facts of the case.

Since the Fifth Circuit's *en banc* decision in *Volkswagen*, the Federal Circuit has granted a number of mandamus petitions compelling the Eastern District to transfer a case to a more appropriate forum. *See In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2011) (per curiam); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010); *In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009); *In re Hoffman-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008). Each of these cases "feature[d] a stark contrast in relevance, convenience, and fairness between the two venues." *Nintendo*, 589 F.3d at 1198. The Federal Circuit accordingly has emphasized that in "a case featuring most witnesses and evidence closer to the transferee venue with few or no convenience factors favoring the venue chosen by the plaintiff, the trial court should grant a motion to transfer." *Id.*

For example, in *In re Nintendo*, the defendants were residents of Japan and Washington; the plaintiff was a resident of Ohio; the key witnesses were all located in Washington, Ohio, New York, and Japan; and most relevant evidence was located in Washing-

ton. 589 F.3d at 1196–1200. Indeed, the trial court had "candidly observed that the Eastern District of Texas has little relevant local interest in the dispute." *Id.* at 1198. The Federal Circuit therefore held that "Nintendo ha[d] met its difficult burden of demonstrating a clear and indisputable right to a writ" in that "the district court [had] clearly abused its discretion." *Id.* at 1200.

Similarly, in *In re Hoffman-La Roche Inc.*, neither the plaintiff nor the defendants resided in Texas; the "accused drug was developed and tested within the Eastern District of North Carolina and documents and sources of proof remain[ed] there"; and "at least four non-party witnesses resid[ed] within 100 miles of the Eastern District of North Carolina," permitting them to be subpoenaed by that court. 587 F.3d at 1336. Furthermore, "there appear[ed] to be no connection between this case and the Eastern District of Texas except that in anticipation of this litigation, [plaintiff's] counsel in California converted into electronic format 75,000 pages of documents demonstrating conception and reduction to practice and transferred them to the offices of its litigation counsel in Texas." *Id.* at 1336–37. The Federal Circuit concluded that this sole factor favoring Texas was a "fiction . . . created to manipulate the propriety of venue" and violated this Court's admonition against "[t]his type of tactic" in *Van Dusen v. Barrack*, 376 U.S. 612 (1964). 587 F.3d at 1337. The district court therefore had "clearly abused its discretion in denying petitioners' motion to transfer venue." *Id.* at 1335.

The facts of the other cases where the Federal Circuit has ordered the Eastern District of Texas to transfer cases have been similarly compelling. *See, e.g.*, *Microsoft*, 630 F.3d at 1365 ("[The plaintiff] took the extra step of incorporating under the laws of Texas sixteen days before filing suit."); *Genentech*,

566 F.3d at 1343 ("[P]etitioners identified at least ten witnesses within the Northern District of California," and "no witness reside[d] in the Eastern District of Texas . . . ."). The Federal Circuit has accordingly concluded that such clear abuses of discretion call for mandamus.

The Federal Circuit, however, has by no means exercised its mandamus power liberally. In several similar instances, the Federal Circuit has found that the high standard for mandamus was not met. For example, in *In re Vistaprint Ltd.*, 628 F.3d 1342 (Fed. Cir. 2010), a New Jersey-based plaintiff sued a foreign defendant whose principal U.S. subsidiary was based in Massachusetts and a retailer based in Illinois. Despite the indisputable convenience of the District of Massachusetts for the witnesses, the trial court had denied a transfer on the ground of judicial economy—that the court had "substantial experience with the patent-in-suit based on prior litigation involving the plaintiff" as well as a currently pending case by the same plaintiff against another defendant. *Id.* at 1344. That is, the court concluded that the fact that the plaintiff had brought suit against other defendants in the Eastern District of Texas was sufficient to deny a transfer of venue even where convenience considerations strongly favored another forum. The Federal Circuit denied the defendants' petition for mandamus. The court rejected the petitioners' argument that the trial court had improperly balanced judicial economy against convenience, stating that although "a clear abuse of discretion in balancing convenience against judicial economy under § 1404 is not outside the scope of correctable error on mandamus review," it could not "say that the trial court's balancing was so unreasonable as to warrant the extraordinary relief of mandamus." *Id.* at 1346–47; *see also In re Apple Inc.*, 374 F. App'x 997 (Fed. Cir. 2010) (per curiam) (denying petition for manda-

mus); *In re Google Inc.*, Misc. No. 968, 2011 WL 772875 (Fed. Cir. Mar. 4, 2011) (same); *In re EchoStar Corp.*, 388 F. App'x 994 (Fed. Cir. 2010) (same); *In re VTech Commc'ns, Inc.*, Misc. No. 909, 2010 WL 46332 (Fed. Cir. Jan. 6, 2010) (same); *In re Telular Corp.*, 319 F. App'x 909 (Fed. Cir. 2009) (same); *In re Volkswagen of Am., Inc.*, 566 F.3d 1349 (Fed. Cir. 2009) (same); *In re D-Link Corp.*, 183 F. App'x 967 (Fed. Cir. 2006) (same).

Lately some plaintiffs have attempted to avoid transfer by joining literally dozens of unrelated defendants in one action, including at least one (usually insignificant) defendant that maintains a principal place of business in the Eastern District. For example, in *In re Google Inc.*, the plaintiff sued twenty-two unrelated companies for patent infringement, only four of which resided in the Eastern District of Texas. 2011 WL 772875, at *1 & n.1. The district court denied the defendants' motion to transfer venue and alternative request to sever the claims of the Northern California-based defendants and transfer those only to the Northern District of California. Despite the plaintiff's procedural gamesmanship, the Federal Circuit denied the petition for mandamus, citing judicial-efficiency concerns and explaining that its "authority here on mandamus review is narrow, confined solely to determining whether the trial court's denial of transfer produced a patently erroneous result." *Id.* at *1.

The attempts to avoid transfer by joining multiple defendants are continuing. For example, one plaintiff named over 300 entities as defendants. *See* Megan Stride, *GeoTag Sues Hundreds of Retailers Over Web Search IP*, Law360 (Dec. 21, 2010), http://www.law360.com/web/articles/216254 (plaintiff names "more than 300 companies across a wide spread of consumer industries" as defendants in seven different complaints filed in the Eastern Dis-

trict of Texas); *see also* Dennis Crouch, *Who Is Suing For Patent Infringement?*, Patently-O (Mar. 14, 2011 12:50pm), http://www.patentlyo.com (noting that, in the last ten years, twenty-five patent plaintiffs have sued over 100 defendants, and two non-practicing entity plaintiffs have sued over 1,000 defendants).

2. MedioStream is the alleged assignee of two related patents claiming certain methods and systems for converting video information from one format to another format. It is a California corporation with its principal place of business in Los Altos, California. Pet. App. 13a. The named inventor on each of the patents is Qiang Huang, a resident of the Northern District of California. *Id.* at 13a–14a. In 2007, MedioStream brought suit against eleven defendants for patent infringement (as well as certain California-law claims against certain of the defendants, which were later dropped) in the Eastern District of Texas. *Id.* at 14a. Only one of the defendants is headquartered in Texas (Dell, Inc.), and even that defendant is not based in the Eastern District (with its headquarters instead found in suburban Austin, some 300 miles from Marshall). *Id.* at 14a–15a. Like MedioStream, eight of the defendants have their principal place of business in California, with five based in the Northern District of California. *Id.* at 21a. The other two defendants, parents of California-based defendants, have their principal places of business abroad. *Id.*

In January 2008, five of the California defendants moved for a transfer of venue to the Northern District of California under § 1404(a). The district court denied the motion. Though recognizing that "most of the parties are centered in California" (Pet. App. 17a), it held that transfer was inappropriate. The court cited factors such as Dell's headquarters in Texas (albeit not in the Eastern District), the alleged fact that "any documentary proof can be as easily

transported to [the Eastern District of Texas] for trial as to the Northern District of California," and the defendants' sale of their products in Texas. *Id.* at 17a–18a.

Shortly after the district court denied the transfer motion, MedioStream brought a second lawsuit in the Eastern District of Texas against respondent Microsoft Corporation for alleged infringement of the same two patents. Pet. App. 22a–23a. Like the defendants in MedioStream's first suit, Microsoft's principal place of business is not in Texas; it is in Washington State. In December 2008, Microsoft moved to transfer the case to MedioStream's home forum (the Northern District of California), joining with the defendants from the first case, who moved for reconsideration of their own transfer motion. *Id.*

After consolidating the cases, the district court denied the motions, citing essentially the same factors that it cited in its previous order. But after the Federal Circuit issued mandamus writs compelling transfer of venue in *In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009), and *In re Hoffman-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009), the defendants sought reconsideration. The district court again denied the motion.

3. The twelve defendants petitioned the Federal Circuit to issue a writ of mandamus compelling the district court to transfer the case to the Northern District of California. The defendants argued that the district court had "committed a clear abuse of discretion" in "concluding that the factors relating to the cost of attendance for witnesses and relative ease of access to evidence do not strongly favor transfer" and had "incorrectly balanced" the relevant factors. Defendants' C.A. Br. at 14–15 (internal quotation marks omitted). In opposition, MedioStream, agreeing that the correct standard of review was whether

"the district court clearly abused its discretion," argued that the defendants had "fail[ed] to satisfy their extraordinary burden of demonstrating that the district court's weighing of the public and private interest factors in denying [their] motions to transfer constituted a clear abuse of discretion." MedioStream C.A. Br. at 16.

The Federal Circuit granted the petition and ordered the district court to transfer the case to the Northern District of California. Pet. App. 8a. The court explained that the district court's denial orders were largely based on a single factor: "the presence of one petitioner, Dell, Inc., which is headquartered in Round Rock, Texas, which is outside the Eastern District and some 300 miles from Marshall, Texas, where the litigation is pending." Pet. App. 3a. The court determined that the "conclusion that Dell's presence in Texas was enough to preclude transfer here is . . . a clear abuse of discretion." *Id.* at 8a.

The Federal Circuit cited a number of factors supporting transfer. The court noted the clear convenience to the witnesses of having the trial in the Northern District of California. "All of the U.S.-based companies in this case except for Dell and Microsoft are headquartered in California," the court explained, whereas "no party is headquartered in the Eastern District of Texas." Pet. App. 4a, 12a. A "substantial number of party witnesses, in addition to the inventor and prosecuting attorneys, reside in or close to the Northern District of California." *Id.* at 5a. Requiring these witnesses to travel to Marshall, Texas, would force them to "incur significant expenses for airfare, meals, and lodging, as well as losses in productivity from time spent away from work"—not to mention "personal costs associated with being away from work, family, and community." *Id.* at 5a–6a (internal quotation marks omitted). Such "costs would be significantly minimized or

avoided by transferring the case to Northern California." *Id.* at 6a. The Federal Circuit rejected the district court's conclusion that the convenience factor was "neutral" because Dell was based in another Texas district, noting that there would be very few Dell witnesses because "the allegation of infringement against Dell is largely based on integrated software of other defendants with headquarters outside of Texas." *Id.* at 6a.

The court also ruled that the district court had incorrectly analyzed the source-of-evidence factor. A "significant portion of the evidence will be located in the Northern District of California," and "no party identified any likely source of proof in the Eastern District of Texas." Pet. App. 6a–7a. The district court had concluded that this evidentiary factor did not favor transfer, relying principally on Dell's presence in the State. But "Dell's headquarters lies outside the Eastern District of Texas," the Federal Circuit explained, and "[i]n any event, it is unreasonable to suggest that Dell's evidence alone could outweigh the convenience of having the evidence from multiple defendants located within the transferee venue of trial." *Id.* at 7a.

The court cited other factors favoring transfer. It explained that the Eastern District of Texas would have no power under Federal Rule of Civil Procedure 45(b)(2) to subpoena witnesses located in Northern California. Pet. App. 6a. In addition, the court held, the "local interest factor also strongly favors transfer": "The company asserting harm and many of the companies alleged to cause that harm are all residents of [the Northern District of California], as are the inventor and the patent prosecuting attorneys." *Id.* at 7a–8a.

The court concluded that "the convenience of the parties, and witnesses, the sources of proof, the local

interest, and the compulsory process factors all significantly favor transfer" and that "no factor remotely favors keeping this case in the Eastern District of Texas." Pet. App. 8a. It accordingly granted the writ of mandamus.

REASONS FOR DENYING THE PETITION

This Court should deny the petition for certiorari. As a threshold matter, petitioner MedioStream did not raise the question presented below. To the contrary, MedioStream agreed with respondents that the appropriate standard of mandamus review of the denial of a § 1404(a) motion was for a clear abuse of discretion and did not dispute that such relief was available when the district court's factual conclusions relating to the factors bearing on transfer are unsupported by the record.

Aside from that forfeiture, this Court should deny the petition because there is no division of authority among the courts of appeals on the question presented. MedioStream relies on cases from the 1950s that have long since been superseded by this Court's precedents and holdings in every circuit. Consistent with this Court's teachings, the courts of appeals uniformly agree that on mandamus review an order granting or denying a § 1404(a) transfer motion can be reversed for a "clear abuse of discretion." Any division of authority arising in the mid-Twentieth Century was resolved by this Court decades ago.

At base, MedioStream objects to the Federal Circuit's application of the settled "clear abuse of discretion" standard to the facts of this case. That question does not merit this Court's review.

I. MEDIOSTREAM DID NOT PRESERVE THE QUESTION PRESENTED BELOW.

This Court should deny the petition for certiorari because MedioStream did not argue below that "mandamus will not lie to correct an abuse of discretion in weighing [the § 1404(a)] factors." Pet. 6. To the contrary, MedioStream agreed with respondents that "in seeking to upset the district court's discretionary decision to deny transfer on a petition for mandamus," respondents had to demonstrate "that the district court clearly abused its discretion." MedioStream C.A. Br. at 11. The court was permitted to issue the writ compelling the district court to transfer venue, MedioStream stated, if "it is clear that the facts and circumstances are without any basis for a judgment of discretion." *Id.* at 12. "Thus," MedioStream argued, echoing the standards that the Federal Circuit has consistently applied, "[respondents] must demonstrate a 'clear' abuse of discretion such that refusing transfer would produce a 'patently erroneous result.'" *Id.* at 11 (quoting *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 310 (5th Cir. 2008) (*en banc*)). MedioStream therefore never presented below the question whether the Federal Circuit had the authority to "reweigh[] the district court's discretionary § 1404(a) analysis." Pet. i.

"Ordinarily, this Court does not decide questions not raised or resolved in the lower court." *Youakim v. Miller*, 425 U.S. 231, 234 (1976) (per curiam); *see also, e.g.*, *Delta Airlines, Inc. v. August*, 450 U.S. 346, 362 (1981) (holding that a question presented in petition but "not raised in Court of Appeals . . . is not properly before us"). As this Court has explained, that prudential rule "help[s] to maintain the integrity of the process of certiorari." *Taylor v. Freeland & Kronz*, 503 U.S. 638, 646 (1992). Because all parties below agreed that the Federal Circuit could re-

view the district court's denial of the transfer motions for a clear abuse of discretion and did not disagree over the types of errors that could constitute an abuse of discretion, the Federal Circuit did not have the opportunity to pass on the question whether a more circumscribed standard of review should apply. For that reason, this Court should deny the petition for certiorari.

II. The Federal Circuit Faithfully Applied This Court's Precedents On The Standard Of Mandamus Review.

This Court has repeatedly held that discretionary decisions of district courts may be reversed on mandamus review where there is a "clear abuse of discretion." *E.g.*, *Mohawk Indus., Inc. v. Carpenter*, 130 S. Ct. 599, 607 (2009); *Schlagenhauf v. Holder*, 379 U.S. 104, 111 (1964). This Court first announced that standard in 1953 in *Bankers Life & Casualty Co. v. Holland*, 346 U.S. 379. *Bankers Life* arose in the context of a transfer-of-venue motion under 28 U.S.C. § 1406(a), which permits a district court to transfer an action where venue in the court is legally improper. The court of appeals had dismissed the mandamus petition as an improper vehicle to challenge the district court's order. *Id.* at 381. Though affirming the denial of the writ, this Court stated that it did "not doubt the power [of appellate courts] in a proper case to issue such writs." *Id.* at 384 (internal quotation marks omitted). Although the writ of mandamus would not be appropriate to correct all district-court errors, this Court held, the writ was appropriate "where there is *clear abuse of discretion* or usurpation of judicial power." *Id.* at 383 (internal quotation marks omitted; emphasis added).

This Court has reaffirmed the "clear abuse of discretion" standard in numerous cases since 1953. Most recently, in *Cheney v. U.S. District Court for the*

District of Columbia, 542 U.S. 367 (2004), this Court held that in ruling on a petition for mandamus, a court of appeals must review a district court's discretionary balance of factors in granting a discovery request for "a 'clear abuse of discretion.'" 542 U.S. at 389–90 (quoting *Bankers Life*, 346 U.S. at 383). The Court explained that such a clear abuse of discretion satisfies the general mandamus prerequisites that a petitioner's entitlement to the writ be "'clear and indisputable'" and that issuance of the writ be "appropriate under the circumstances." *Id.* at 381 (quoting *Kerr v. U.S. Dist. Ct. for N. Dist. of Cal.*, 426 U.S. 394, 403 (1976)).

In reviewing petitions for mandamus challenging denials of transfer-of-venue motions, the Federal Circuit has applied precisely the standard articulated in this Court's precedents. The "writ of mandamus," the Federal Circuit has held, "is available in extraordinary situations to correct a clear abuse of discretion or usurpation of judicial power." *In re Genentech, Inc.*, 566 F.3d 1338, 1341 (Fed. Cir. 2009). Furthermore, "[a] party seeking a writ bears the burden of proving that it has no other means of obtaining the relief desired, and that the right to issuance of the writ is 'clear and indisputable.'" *Id.* (citing *Mallard v. U.S. Dist. Court for S. Dist. of Iowa*, 490 U.S. 296, 309 (1989); *Allied Chem. Corp. v. Daiflon, Inc.*, 449 U.S. 33, 35 (1980) (per curiam)). Given those standards, the Federal Circuit has held that mandamus is appropriate "to correct a patently erroneous denial of transfer pursuant to § 1404(a)" where the district court has committed a "clear abuse of discretion." *Id.* These same standards are applied by other circuits.[1]

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[1] *See, e.g.*, *In re Warrick*, 70 F.3d 736, 740 (2d Cir. 1995) ("A court of appeals will issue a writ of mandamus to correct a dis-

This Court has further explained that "abuse of discretion" review entails not only review of a district court's discretionary decisions for unreasonableness, but also review of its underlying legal and factual conclusions. *See, e.g.*, *Koon v. United States*, 518

[Footnote continued from previous page]

trict court's disposition of a section 1404 transfer motion for a clear abuse of discretion."); *Ellicott Mach. Corp. v. Modern Welding Co.*, 502 F.2d 178, 181 n.4 (4th Cir. 1974) ("Both this court and the Sixth Circuit have recognized the availability of mandamus to review a clear abuse of discretion by a district judge in ordering or denying transfer under section 1404(a)."); *Lemon v. Druffel*, 253 F.2d 680, 683 (6th Cir. 1958) ("[U]nless it is necessary to correct a clear abuse of discretion, the Court should not entertain motions for writs of mandamus to direct District Courts to enter or vacate orders of transfer."); *Wade v. Farmers Ins. Group*, 96 F.3d 1450 (Table), 1996 WL 508613, at *4 (7th Cir. 1996) ("Even in absence of appellate jurisdiction, however, federal appellate courts have issued writs of mandamus to correct a district court's disposition of a § 1404(a) transfer motion for a clear abuse of discretion."); *In re Apple, Inc.*, 602 F.3d 909, 911 (8th Cir.), *cert. denied*, 131 S. Ct. 838 (2010) ("[A] clear error of law or clear error of judgment leading to a patently erroneous result may constitute a clear abuse of discretion."); *Healy v. Phillips*, 8 F.3d 27 (Table), 1993 WL 414192, at *1 (9th Cir. 1993) ("This court will grant the writ and order the district court to rescind its order transferring venue only if the district court's order was clearly erroneous as a matter of law or was a clear and indisputable abuse of discretion."); *In re Dalton*, 733 F.2d 710, 717 (10th Cir. 1984) (holding that a district court's decision on transfer of venue "should not be rejected unless the court of appeals determines that there is a clear abuse of discretion"); *In re Ricoh Corp.*, 870 F.2d 570, 573 n.5 (11th Cir. 1989) ("In general, the district court has discretion to grant or deny a motion to transfer under section 1404(a). On mandamus, we may reverse the district court's decision only if the court clearly abused its discretion."); *In re DRC, Inc.*, 358 F. App'x 193, 195 (D.C. Cir. 2009) (reviewing denial of transfer order for whether district court "clearly abused its discretion in a manner to warrant extraordinary relief by mandamus").

U.S. 81, 100 (1996) ("A district court by definition abuses its discretion when it makes an error of law."). In particular, when reviewing for an abuse of discretion, an appellate court must determine whether a district court's supporting factual findings were "clearly erroneous." *Cooter & Gell v. Harmarx Corp.*, 496 U.S. 384, 401 (1990).

In this case, the Federal Circuit concluded that the district court had committed fundamental errors with respect to factual findings such as the convenience of the competing forums to the parties and witnesses and the location of the evidence. For example, the Federal Circuit concluded that the Northern District of California was overwhelmingly more convenient for witnesses than the Eastern District of Texas. Pet. App. 5a–6a. The court also determined that the district court erred in ruling that the location of the evidence did not favor either district more than the other: "[N]o party identified any likely source of proof in the Eastern District of Texas," whereas "a significant portion of the evidence will be located within the Northern District of California." *Id.* at 6a–7a. The Federal Circuit also noted facts and factors that the district court did not properly consider, such as the power of a district court in the Northern District of California to subpoena the likely witnesses. *Id.* at 6a.

Thus, MedioStream's argument that the Federal Circuit had no authority to "reweigh[]" the district court's balance of the factors (Pet. i) is not only wrong—unquestionably that exercise of discretion may be scrutinized during review for a "clear abuse of discretion"—but beside the point: The Federal Circuit concluded both that the district court had reached plainly erroneous factual conclusions with respect to each of the factors and that it had failed to properly balance the factors. MedioStream does not contest that an appellate court may issue a writ of

mandamus to correct unquestionably incorrect factual conclusions.

III. There Is No Division Of Authority Over The Question Presented.

Despite the Federal Circuit's straightforward application of the standard of review repeatedly reaffirmed by this Court, MedioStream contends that appellate courts disagree about whether the "clear abuse of discretion" standard applies to mandamus petitions challenging orders on § 1404(a) transfer motions. According to MedioStream, the First and Third Circuits hold that "mandamus will not lie to correct an abuse of discretion in weighing [the § 1404(a)] factors," whereas other circuits "apply an abuse of discretion standard." Pet. 6, 12. As discussed above, this question is not squarely presented by this case, because the Federal Circuit also concluded that the district court had made clear factual errors with respect to each of the factors, not just that it had abused its discretion in balancing the factors.

In any event, MedioStream is incorrect: All circuits apply the "clear abuse of discretion" standard required by this Court's precedents for mandamus review. As the *en banc* Fifth Circuit noted at the outset of its *Volkswagen* opinion, citing cases from every circuit, mandamus is available "as a limited means to test the district court's discretion in issuing transfer orders." *Volkswagen*, 545 F.3d at 308 n.3. To establish the purported conflict, MedioStream relies almost exclusively on a Third Circuit opinion from 1952 (along with a First Circuit case citing it) that predates this Court's holding in *Bankers Life* and subsequent cases that a court of appeals must review a district court's discretionary order for a "clear abuse of discretion." In fact, more recent precedents from all courts of appeals, including the

First and Third Circuits, make clear that there is consensus that an appellate court may review a district court's exercise of its discretion for "a clear abuse of discretion."

1. In the Third Circuit, MedioStream principally relies on one case decided in 1952, which predated this Court's first statement of the "clear abuse of discretion" standard in *Bankers Life*. *See* Pet. 6 (citing *All States Freight v. Modarelli*, 196 F.2d 1010 (3d Cir. 1952)). MedioStream then cites three more recent cases and opaquely states that the view expressed in *All States Freight* "has withstood the test of time." *Id.* at 7.

MedioStream's suggestion that the Third Circuit has diverged from the standard this Court set forth in *Bankers Life* is incorrect. The Third Circuit has repeatedly held in recent decisions that "[m]andamus may lie to prevent a district court from usurping a power that it lacks *and to rectify clear abuses of discretion*." *In re Pressman-Gutman Co.*, 459 F.3d 383, 399 (3d Cir. 2006) (emphasis added); *see also, e.g.*, *Wilderman v. Cooper & Scully, P.C.*, 428 F.3d 474, 478 (3d Cir. 2005) (joined by Alito, J.). The court has explained that "'mandamus can apply to discretionary acts where petitioners can demonstrate a 'clear abuse of discretion.'" *In re Patenaude*, 210 F.3d 135, 141 (3d Cir. 2000) (quoting *Mallard*, 490 U.S. at 309).

The Third Circuit has not had the opportunity to opine expressly on whether the general "clear abuse of discretion" standard from this Court's precedents applies specifically to motions to transfer venue under § 1404(a), but there is nothing in the Third Circuit's post-*Bankers Life* precedents of the last fifty years to indicate that it would break from its general treatment of mandamus petitions. Indeed, in closely related contexts, such as motions to transfer criminal

cases to other venues under Federal Rule of Criminal Procedure 21(b) and motions to transfer cases from consolidated multidistrict litigation back to the original district courts, the Third Circuit has held that the correct standard of review on mandamus is for a "clear abuse of discretion." *In re Wilson*, 451 F.3d 161, 169 (3d Cir. 2006) (motion to transfer back to original district court in district-litigation proceeding under 28 U.S.C. § 1407(a)); *Patenaude*, 210 F.3d at 141 (same); *In re United States*, 273 F.3d 380, 389 (3d Cir. 2001) (motion to transfer criminal case under Rule 21(b)). There is no reason to believe that the Third Circuit would depart from that standard for mandamus petitions challenging rulings on § 1404(a) transfer motions.

None of the three post-1952 Third Circuit cases that MedioStream cites rejects the "clear abuse of discretion" standard. Those cases state only that a court will not grant mandamus relief vacating a district court's order unless the "district court did not have the power to enter the order." *In re Federal-Mogul Global*, 300 F.3d 368, 378–79 (3d Cir. 2002); *Carteret Sav. Bank v. Shushan*, 919 F.2d 225, 232 (3d Cir. 1990); *see also Solomon v. Cont'l Am. Life Ins. Co.*, 472 F.2d 1043, 1045 (3d Cir. 1973) ("trial court exceeded its authority or acted outside its jurisdiction"). As this Court has made clear, however, one of the situations in which, for the purpose of mandamus review, a district court will be considered to have exceeded the "'lawful exercise of its prescribed jurisdiction'" is where it has committed "'a clear abuse of discretion.'" *Cheney*, 542 U.S. at 380 (quoting *Roche v. Evaporated Milk Ass'n*, 319 U.S. 21, 26 (1943); *Bankers Life*, 346 U.S. at 383). That is because, in the context of mandamus petitions, "courts have not 'confined themselves to an arbitrary and technical definition of "jurisdiction."'" *Id.* (quoting *Will v. United States*, 389 U.S. 90, 95 (1967)).

In fact, in one of the cases relied upon by MedioStream, the Third Circuit engaged in a weighing of the relevant § 1404(a) factors and concluded that "by no discernible standard could we hold that [the] grant [of the motion to transfer venue] in these circumstances was *such an abuse of discretion* as to be beyond the district court's authority or outside its jurisdiction." *Solomon*, 472 F.2d at 1047 (emphasis added). And in the same case the Third Circuit admonished district courts that "[s]ince it is likely that unsuccessful proponents or opponents of § 1404(a) motions will continue to petition for mandamus relief, . . . it would be helpful to us if each transfer order set forth the factors upon which the court relied in deciding the motion." *Id.* at 1048. The Third Circuit therefore has not broken from this Court's precedents requiring appellate courts ruling on mandamus petitions to determine whether a district court committed a "clear abuse of discretion."

2. With respect to the First Circuit, MedioStream relies entirely on a 1954 decision, subsequently abrogated, to establish the proposition that the First Circuit will not review a district court's balancing of the § 1404(a) factors. *See* Pet. 6 (citing *In re Josephson*, 218 F.2d 174, 182–83 (1st Cir. 1954), *abrogated on other grounds*, *In re Union Leader Corp.*, 292 F.2d 381, 383 (1st Cir. 1961)). Two pages later, however, MedioStream concedes vaguely that the First Circuit "has reserved the right to depart from that approach when necessary," citing *Codex Corp. v. Milgo Electronic Corp.*, 553 F.2d 735, 737 (1st Cir. 1977).

That is an understatement. In *Codex*, a pre-Federal Circuit patent case, the First Circuit held that although "[a]ppellate review . . . is properly limited in the ordinary case because it serves little purpose, other than delay, to engage in a de novo consideration of such an inherently indeterminate decision"

as choice of venue, "[t]his *does not mean . . . that discretion is non-reviewable*." 553 F.2d at 737 (emphasis added). In other words, the First Circuit does *not* maintain, as MedioStream contends, that the exercise of a district court's discretion on a venue-transfer motion is unreviewable on mandamus. Pertinently, the First Circuit explained in *Codex* that "[v]enue rights . . . are important, particularly in patent litigation, where it is well known that the patent bar believes that the hospitality accorded patents varies markedly from circuit to circuit," and that in this context "forum shopping becomes particularly appealing." *Id.* at 738.

The First Circuit has not had occasion to address the precise issue since *Codex*. But following this Court's holdings, it has repeatedly declared that it will issue a writ of mandamus to correct a district court's "clear abuse of discretion." *Langley v. Colonial Leasing Co.*, 707 F.2d 1, 5 n.6 (1st Cir. 1983); *USM Corp. v. GKN Fasteners, Ltd.*, 574 F.2d 17, 23 (1st Cir. 1978). MedioStream provides no reason to believe that the First Circuit would depart from that standard in the context of rulings on § 1404(a) motions.

3. MedioStream attempts to construct a division of authority among the remaining circuits by selectively quoting certain passages while ignoring the circuits' repeated reaffirmations of the proper standard. In reality, there is no question that each of these circuits reviews denials of motions to transfer on mandamus review for a "clear abuse of discretion," faithfully applying this Court's holdings. *See supra* n.1.

For example, MedioStream alleges that the Fourth Circuit does not adhere to the "clear abuse of discretion" standard, but rather asks "whether the right to the writ is 'clear and indisputable.'" Pet. 9

(quoting *In re Ralston Purina Co.*, 726 F.2d 1002, 1005 (4th Cir. 1984)). That point just confuses two different inquiries: (i) the general requirements for issuance of the writ, of which a "clear and indisputable right" to the writ is one, and (ii) the sort of district-court errors that indicate a "clear and indisputable right" to the writ, of which a "clear abuse of discretion" is one. *See Cheney*, 542 U.S. at 380–81 (explaining that a petitioner must show a "clear and indisputable right" to the writ and may prevail by demonstrating a "clear abuse of discretion"). MedioStream relies on *In re Ralston Purina Co.*, but in that case the Fourth Circuit held only that a "mere abuse of discretion"—as contrasted with a severe abuse—would not warrant issuance of the writ. *See* 726 F.2d at 1005. And in fact, in *Ralston Purina* the Fourth Circuit proceeded to conduct its own weighing of the factors and determined that the district court's denial of transfer was not "such an abuse of judicial power or refusal to exercise it that the right to a transfer is clear and indisputable." *Id.* at 1006. The Fourth Circuit's reasoning flatly refutes MedioStream's characterization of the opinion as "prohibit[ing] reweighing of the district court's § 1404(a) judgment." Pet. 9. As the Fourth Circuit has held in another decision, mandamus is available "to review a clear abuse of discretion by a district judge in ordering or denying transfer under section 1404(a)." *Ellicott Mach. Corp. v. Modern Welding Co.*, 502 F.2d 178, 180 n.4 (4th Cir. 1974); *see also Sterling Forest Assocs., Ltd. v. Barnett-Range Corp.*, 840 F.2d 249, 252 (4th Cir. 1988) (holding that mandamus would be appropriate to reverse district court's denial of § 1404(a) transfer motion based on erroneous interpretation of contract).

MedioStream similarly attempts to show that the Eighth Circuit has adopted a different standard for mandamus review of denials of venue-transfer mo-

tions, citing a 1965 decision. But again, MedioStream concedes that just last year (in a case in which this Court denied certiorari) the Eighth Circuit applied the "clear abuse of discretion" standard. *See* Pet. 9 (citing *In re Apple, Inc.*, 602 F.3d 909, 911 (8th Cir. 2010), *cert. denied*, 131 S. Ct. 838 (2010)). The Eighth Circuit has consistently adhered to that standard for decades. *See, e.g.*, *Wilkins v. Erickson*, 484 F.2d 969, 971 (8th Cir. 1973).

Finally, MedioStream suggests that the Ninth Circuit has not followed the "clear abuse of discretion" standard, citing cases from 1969 and 1970. Pet. 11. But, as with the cases MedioStream cites in other circuits, those cases do not reject that standard, and more recent decisions of the Ninth Circuit have endorsed and applied it. *See Healy v. Phillips*, 8 F.3d 27 (Table), 1993 WL 414192, at *1 (9th Cir. 1993) ("This court will grant the writ and order the district court to rescind its order transferring venue only if the district court's order was clearly erroneous as a matter of law or was *a clear and indisputable abuse of discretion*." (emphasis added)); *Wash. Pub. Utils. Group v. U.S. Dist. Ct. for W. Dist. of Wash.*, 843 F.2d 319, 329 (9th Cir. 1987) ("The district court's decision to change venue . . . *was not clearly and indisputably an abuse of discretion*." (emphasis added)).[2]

* * *

In sum, there is no conflict of circuit authority on whether a district court's order on a motion to transfer venue under § 1404(a) may be reviewed on appeal

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[2] MedioStream concedes that the Second, Fifth, Sixth, Seventh, Tenth, and Eleventh Circuits follow the "clear abuse of discretion" standard. Pet. 10–13. It does not address the D.C. Circuit, but that circuit applies the same standard. *See supra* n.1.

for a "clear abuse of discretion." Even the dissenting opinion on which MedioStream principally relies to establish that the "appellate courts themselves have repeatedly acknowledged this intractable split" (Pet. 13)[3] agreed that mandamus is appropriate to correct a "clear abuse of discretion." *Volkswagen*, 545 F.3d at 320 (King, J., dissenting) (internal quotation marks omitted). Accordingly, MedioStream objects only to the Federal Circuit's application of that standard to the facts of this case, a question that does not call for review by this Court.

IV. Venue Abuse In Patent Cases Raises Important Unresolved Issues Of Law, But The Question Presented Is Not One Of Them.

As if to emphasize the *un*importance of the question presented, MedioStream touts that this Court has consistently denied certiorari on the question for sixty years (with almost every denial occurring before 1990). Pet. 14–17. The cases that MedioStream principally cites to bring the ostensible current importance of this issue "into sharp relief" were decided in the 1950s. *Id.* at 15–16 (citing cases from 1950, 1951, and 1955). The only three recent decisions to which MedioStream points do not show that this issue is important or that there is a pressing division of authority among the courts of appeals. They merely demonstrate that other litigants have made similarly flawed arguments for certiorari as MedioStream. *See, e.g.*, Pet. for Cert., *Luxpro Corp. v. Apple, Inc.*, 2010 WL 4494137, at *20–22 (Sept. 28, 2010); Pet. for Cert., *Singleton v. Volkswagen of Am., Inc.*, 2008 WL 5195635, at *20–25 (Dec. 9, 2008). Indeed, in the one cited case where the respondent

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[3] Each of MedioStream's other citations in this regard is over twenty years old.

waived a brief in opposition, this Court did not even call for a response before denying the petition. *See Luxpro Corp. v. Apple, Inc.*, 131 S. Ct. 838 (2010).

MedioStream nevertheless strenuously tries to frame the question presented as important—alleging that the Federal Circuit is "distorting patent venue." Pet. 17. But in reality, MedioStream merely objects to the Federal Circuit's application of the settled "clear abuse of discretion" standard from this Court's precedents to the facts of this case and other recent cases where plaintiffs have abused venue rules to locate cases in the Eastern District of Texas. And MedioStream's discussion of the 1988 amendment to the venue statute (Pet. 20) bears no relevance to this case, as neither the defendants nor the Federal Circuit contested that the basic requirements for venue are satisfied in the Eastern District of Texas (as they are in virtually any district in the United States). Pet. 20.

It is true, however, that there are current practices that are "distorting patent venue": They include a disproportionate number of patent cases filed in the Eastern District of Texas. As discussed above, these cases often have no real connection to that venue, and plaintiffs often manufacture fictional contacts immediately before filing suit. Those tactics may eventually call for this Court's intervention, but this case raises no such important or divisive legal question.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted.

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On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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REPLY BRIEF

I. The question of mandamus review has been squarely and cleanly joined.

Petitioner asserted that the district court used the proper legal test to decide the 28 U.S.C. § 1404(a) motion, so the decision below is an appellate reweighing of facts. Pet. 5. Respondents conceded that the decision below reanalyzed the facts. Opp. 17. On brief below, Petitioner asserted that mandamus is permissible only when "it is clear that the facts and circumstances are without any basis for a judgment of discretion." C.A. Brief at 12. Petitioner's positions here and below are identical. *McGraw-Edison Co. v. Van Pelt*, 350 F.2d 361, 363 (8th Cir. 1965) (*en banc*) ("Where basis exists for judgment of discretion, the appellate court may not substitute its

own discretion for that of the district court.") Petitioner has consistently claimed that reversal of the district court's § 1404(a) decision is not permissible under the All Writs Act, 28 U.S.C. § 1651. *See Citizens United v. Federal Election Com'n*, 130 S.Ct. 876, 893 (2010).

The Federal Circuit certainly had opportunity to address the standard of review.[1] Mandamus could not have issued under a standard reserving the writ for cases where "it is clear that the facts and circumstances are without any basis for a judgment of discretion." *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 312 n. 7 (5th Cir. 2008) *cert. denied*, 129 S.Ct. 1336 (2009) *citing McGraw-Edison Co.*, 350 F.2d at, 363. The decision below, however, rests on words of discretion such as "insignificant," and "unreasonable." Pet. App. 6a, 7a. Further, the decision below ignored delay, which is a substantive factor in the § 1404(a) analysis, and can even be the district court's sole basis for denying transfer. *See In re Wyeth*, 2010 WL

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[1] In addition to the opportunity presented below, the Federal Circuit has repeatedly declined requests to address the standard *en banc*. *In re TS Tech, USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008) (reh'g *en banc* denied Feb. 6, 2009) (Pet. for reh'g at 7: "The errors found here concern how the district court applied the venue transfer factors as opposed to whether the district court was applying the correct factors. Once mandamus petitions enter this discretionary realm, they open the door for an onslaught ...."); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) (reh'g *en banc* denied Aug. 10, 2009); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010) (reh'g *en banc* denied Aug. 20, 2010) (Pet. for reh'g at 13: "Defying precedent, the panel substituted its discretion for the trial court's.") In any event, a petition for rehearing is not required. Fed. R. App. P 40(a); Sup. Ct. R. 13(3).

5376518, *2 (Fed. Cir. 2010) (unpublished).[2] There was basis for a district court judgment of discretion.

Respondents' waiver argument inadvertently gets to the rub of the matter. Respondents presume that "clear abuse of discretion" permitting reweighing of facts is the "indisputably" correct understanding of the term. Opp. 2. That presumption is at odds with the Fifth Circuit's explanation of "clear abuse." *In re Volkswagen of Am., Inc.*, 545 F.3d at 312 ("we stress – in no case will we replace a district court's exercise of discretion with our own.")

II. "Clear abuse of discretion" conflicts with "clear and indisputable right to the writ."

Though Respondents cite *Bankers Life* as foundational authority for broad "clear abuse" review, in actuality this Court refused to review the district court decision for purported error, lest "mandamus ... be enlarged to actually control the decision of the trial court ...." Opp. 14; *Bankers Life & Cas. Co. v. Holland,* 346 U.S. 379, 382-83 (1953).[3] *Bankers Life*

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[2] Regarding delay, Respondents imply that their belated second motion for reconsideration was justified by new Federal Circuit cases. Opp. 9. When giving guidance on whether its recent cases constitute new grounds for a transfer motion, the Federal Circuit has declared: "[A] decision of a court of supreme jurisdiction overruling a former decision is retrospective in its operation and that the effect is not that the former decision was bad law but that it never was the law." *In re Oracle Corp.*, 399 Fed.Appx. 587, 589 (Fed. Cir. 2010) (internal citation omitted). This is inconsistent with Respondents' position that the Federal Circuit's torrent of mandamuses constitutes dutiful application of long-settled Supreme Court precedent. Opp. 26.

[3] This Court later held that mandamus review of the facts was impermissible *de novo* review. *Platt v. Minnesota Min. & Mfg. Co.*, 376 U.S. 240, 245 (1964).

held that the party seeking mandamus must establish that the right to the writ is "clear and indisputable." *Id.*, at 384. The case was not decided on "clear abuse" grounds, and perhaps should not have been decided at all. *Id.*, at 387 (Justices Frankfurter, Jackson, and Minton dissenting that certiorari had been improvidently granted and that the decision was "not even useful as dicta for future guidance ....")

Even so, "clear abuse of discretion" became an oft-repeated but seldom used feature of this Court's All Writs Act jurisprudence. "Clear abuse" did provide the rule of decision in the seminal "supervisory" mandamus case. *La Buy v. Howes Leather Co.*, 352 U.S. 249, 77 S.Ct. 309 (1957).[4] However this Court soon cautioned that "Courts faced with petitions for the peremptory writs must be careful lest they suffer themselves to be misled by labels such as 'abuse of discretion' and 'want of power' into interlocutory review of nonappealable orders on the mere ground that they may be erroneous." *Will v. United States*, 389 U.S. 90, 98 n. 6, 88 S.Ct. 269, 275 n. 6, 19 L.Ed.2d 305 (1967). The uncertain nature of "clear abuse of discretion" was a fault line dividing this Court in *Will v. Calvert Fire Ins. Co.*, 437 U.S. 655, 98 S.Ct. 2552 (1978) (plurality opinion). The plurality reversed a grant of mandamus, holding that "[w]here a matter is committed to the discretion of a district court, it cannot be said that a litigant's right to a particular result is 'clear and indisputable.'" *Id.*, at 666-7 (citations omitted). The plurality noted *La Buy*

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[4] In a case that is both ignored and unreversed, the Federal Circuit declared that supervisory authority was the exclusive province of the regional circuits, and aid-of-jurisdiction was limited because all patent appeals go to the Federal Circuit. *In re Innotron Diagnostics*, 800 F.2d 1077, 1083-4 (Fed.Cir.1986).

as a rare, perhaps isolated holding, and echoed the prior caution against review for mere error. *Id.*, at 667, n. 7. The dissenters, however, treated "clear abuse" as one of two independent prongs that would support the appellate court's issuance of the writ. *Id.*, at 676.

By 1976, however, this Court had synthesized mandamus jurisprudence, enumerating three factors guiding consideration of the writ. *Kerr v. United States District Court for Northern District of California*, 426 U.S. 394, 402, 96 S.Ct. 2119, 2123, 48 L.Ed.2d 725 (1976). The three-factor analysis prevails today. *Cheney v. United States Dist. Court for D.C.*, 542 U.S. 367, 380, 124 S.Ct. 2576, 159 L.Ed.2d 459 (2004)

"Clear abuse of discretion" is not one of the factors. *Id.*, at 380-81. The phrase has become a free-floating description of mandamus jurisprudence that serves little remaining purpose besides sowing confusion. As this Court has said concerning another question-begging description of mandamus review, clear abuse of discretion "states the standard but does not decide this or any other particular case." *Will v. Calvert Fire Ins. Co.*, 437 U.S. at 661-2.

One aspect of *Bankers Life* remains vital: "clear and indisputable" right to the writ. *Bankers Life*, 346 U.S. at 384. That requirement is the second part of the three-factor analysis. *Cheney*, 542 U.S. at 381. This Court has reaffirmed that "[w]here a matter is committed to the discretion of the trial court, it cannot be said that a litigant's right to a particular result is clear and indisputable." *Allied Chemical Corp. v. Daiflon, Inc.*, 449 U.S. 33, 36, 101 S.Ct. 188, 190, 66 L.Ed.2d 193 (1980) (per curiam). The analysis of § 1404(a) convenience and interest-of-justice

factors is committed to the district court's discretion. *Caldwell v. Palmetto State Sav. Bank*, 811 F.2d 916, 919 (5th Cir.1987).[5]

III. After eight, now ten, grants of mandamus regarding § 1404(a) the court below has exceeded any possible *Schlagenhauf* authority.

Lending urgency to this Petition, the Federal Circuit has granted two additional § 1404(a) writs. *In re Morgan Stanley*, 2011 WL 1338830 (Fed. Cir. 2011); *In re Verizon Business Network Services, Inc.*, 2011 WL 1026623 (Fed. Cir. 2011).

There is a narrow exception permitting otherwise impermissible factual mandamus review on matters of first impression. *Schlagenhauf v. Holder*, 379 U.S. 104, 85 S.Ct. 234, 13 L.Ed.2d 152 (1964)(involving first reported instance of Fed. R. Civ. P. 35 physical examination of a defendant). Significantly, this Court declared that rulemaking review could only be invoked once; having set guidelines, it would be improper to entertain any future mandamus asserting district court error in applying the guidelines. *Id.*, at 112, *citing Bankers Life & Casualty Co.*, 346 U.S., at 382.

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[5] Respondents' resort to regular appeals cases is misplaced. Opp. 16-7, *citing Koon v. United States*, 518 U.S. 81 (1996); *Cooter v. Gell & Hartmarx Corp.*, 496 U.S. 384 (1990). Respondents cite no case of this Court holding that the appellate standard supplies, or even informs, the mandamus standard. Likewise misplaced is Respondents' implication that the *Volkswagen* dissenters acknowledged the validity of an expansive view of "clear abuse." *Compare* Opp. 25 with *In re Volkswagen*, 545 F.3d at 320-21.

Schlagenhauf review is further confined to matters where the reviewing court bears special responsibility. *Cheney*, 542 U.S. at 391. General venue principles are neither a matter of first impression, nor a matter of special Federal Circuit responsibility. As the Federal Circuit itself has held, supervisory guidance on non-patent matters is properly left to the regional circuits. *In re Innotron*, 800 F.2d at 1083-84. But, under its current practice of frequent supervisory mandamuses, the Federal Circuit runs the risk of creating or exacerbating circuit splits on non-patent substantive law. *See In re Affymetrix, Inc.*, 2010 WL 1525010 *3, n.3 (Fed. Cir. 2010) (unpublished) (declaring Fifth Circuit § 1404(a) precedent more favorable to transfer than that of the Seventh Circuit.)

The Federal Circuit, while never expressly invoking *Schlagenhauf* authority, has repeatedly issued new § 1404(a) rules. With one such rule, the Federal Circuit stripped the district court's ability to weigh the relative importance of witnesses. *In re Genentech, Inc.*, 566 F.3d 1343-4. The court below, however, preserves its own ability to conduct such weighing. Pet. App. 6a. The Fifth Circuit presumption that inconvenience increases with distance does not apply to witnesses coming from overseas. *In re Genetech*, 566 F.3d at 1344. A district court may not consider its central location. *Id.* Nor may the district court consider the fact that parties now moving for transfer have previously filed their own suits in the district, unless the district court meets the impossible standard of showing that the movant's prior suits involved the "same parties, witnesses, evidence and facts." *Id.*, at 1346; *See also In re Morgan Stanley*, 2011 WL 1338830 at *2, *In re Verizon Business Network Services Inc.*, 2011 WL 1026623

at *2, *In re Vistaprint Ltd.*, 628 F.3d 1342, 1346 (Fed. Cir. 2010; *In re Volkswagen of America, Inc.*, 566 F.3d 1349 (Fed.Cir.2009); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378, 1382 (Fed.Cir.2010), *In re Google Inc.*, 2011 WL 772875 at *2 (Fed. Cir. 2011); *In re Echostar Corp*, 388 Fed.Appx. 994, 995 (Fed. Cir. 2010) (all giving rules on judicial economy).

Though patent venue is coextensive with personal jurisdiction, and is proper here, the Federal Circuit has not invoked *Schlagenhauf* authority to reconcile § 1404(a) mandamus grants with recent personal jurisdiction holdings. *See, e.g., Patent Rights Protection Group, LLC v. Video Gaming Technologies, Inc.*, 603 F.3d 1364, 1370 (Fed. Cir. 2010) (Michigan and Tennessee companies which attend Nevada trade shows do not face a "particularly onerous" burden defending themselves in Nevada).

Instead, with its most recent rulemaking, the Federal Circuit has condoned delayed justice for individual inventors, university researchers, start-up companies, and companies driven out of the market by anti-competitive practices. *In re Morgan Stanley*, at *3 (Holding that only those with products currently on the market enjoy a presumptive interest in avoiding the delays associated with transfer.) *The sub silentio* eve-of-trial writ granted in favor of Acer, Microsoft and others is now a nationwide and openly-declared rule.

IV. The circuit split has not faded away like an old soldier.

The Fifth Circuit has acknowledged circuit confusion on the mandamus standard. *In re Amy Unknown*, ___ F.3d ___, 2011 WL 988882 * 5, n. 9 (5th Cir. 2011). In a mandamus arising out of the Crime Victims Rights Act ("CVRA"), 18 U.S.C. § 3771, the Fifth Circuit observed that: "our sister circuits are far from united in the standard to be applied." *Id.* That holding has bearing here because "a single mandamus standard reigns in the Fifth Circuit, regardless of the context in which the petition arises." *Id.*, at *5. The Fifth Circuit went on to note that other circuit's CVRA mandamus review was "more amenable" to reversal of the district court than that of the Fifth Circuit. *Id.*, at * 5, n. 9. In short, the circuits are split on what Congress meant when it said that CVRA decisions could be reviewed by mandamus. *Id.*, 18 U.S.C. § 3771(d)(3). The Fifth Circuit granted the writ on the legal question of whether compensation was subject to a proximate cause limiter. *Id.*, at * 5-6. Having resolved the legal issue, the Fifth Circuit remanded, stating that the district court is "best qualified" to conduct the factual analysis of the amount of restitution due. *Id.*, at * 9.

The Third Circuit has not ended the circuit split by endorsing factual reweighing. *Compare* Opp. 21 *with Solomon v. Cont'l Am. Life Ins. Co.*, 472 F.2d 1043, 1046 (3d Cir. 1972) ("[U]nder any standard of review which we might want to invent, the writ would not in this case issue. We refer to the facts at this point only as indicating that the transfer order falls well within any conceivable standard for review on a mandamus petition of a § 1404(a) order."). Likewise, other cases Respondents present as holdings endorsing factual

reweighing were actually mandamus denials. Opp. 20; *In re Pressman-Gutman Co., Inc.*, 459 F.3d 383, 403 (3d Cir. 2006); *In re Wilson*, 451 F.3d 161, 173 (3d Cir. 2006); *Wilderman v. Cooper & Scully, P.C.*, 428 F.3d 474, 478 (3d Cir. 2005); *In re Federal-Mogul Global, Inc.*, 300 F.3d 368, 384 (3d Cir. 2002); *In re Patenaude*, 210 F.3d 135, 145 (3d Cir. 2000).

Respondents cited only two Third Circuit cases where the writ was granted, but both involved legal questions, not factual reweighing. Opp. 20; *In re U.S.*, 273 F.3d 380, 389 (3d Cir. 2001) (whether trial court had applied the proper burden of proof); *Carteret Sav. Bank, FA v. Shushan*, 919 F.2d 225, 228 (3d Cir.1990) (whether 28 U.S.C. § 1406 transfer can issue where venue is proper, but personal jurisdiction over the defendant is lacking). Far from endorsing factual reweighing, Third Circuit law is still understood to prohibit it: "the government conceded that once the District Court evaluated the factors in light of the appropriate burden, there would be no basis for it to file another mandamus petition." *In re U.S.*, 273 F.3d 389.

Nor has the First Circuit endorsed factual reweighing. *Compare* Opp. 21-2 *with Codex Corp v. Milagro Electronic Corp.* 553 F.2d 735, 739-40 (1st Cir. 1977)("[T]his is not a routine case, nor is it one where we find an abuse of discretion. Rather, it presents a situation, likely to recur, which we believe calls for the development of special principles not previously fully articulated.") *Codex* is not an instance of factual reweighing, but instead is an instance of *Schlagenhauf*-style mandamus rulemaking.

V. Respondents' litany of mandamus cases only serves to highlight the circuit split.

While respondents list the numerous mandamus decisions of the court below, they fail to show that such rapid-fire consideration of the writ comports with First, Third or even Fifth Circuit standards governing its issuance. Respondents' listing of purportedly proper and necessary mandamus decisions of the court below is a distraction of questionable value. The decision below, for example, made no mention of the fact that the eve-of-trial writ was based on transfer motions that were first filed in 2008. Consequently, the decisions of the court below may not be the best source for a complete picture of the facts and circumstances of any particular case. *See, e.g., In re Zimmer Holdings, Inc.*, 609 F.3d 1378, 1382 (Fed.Cir.2010) (no mention of defendant's employees the district); *MedIdea LLC v. Zimmer Holdings, Inc.*, 2:09-cv-00258-TJW Dkt. 37-5 (Zimmer website showing names and faces of in-state and in-district employees).

Ultimately, Respondents resort to an "ends justify the means" argument that the district court is willfully disregarding the law. Such charges should not be entertained here because Respondents failed to assert or prove them below. *Will v. United States*, 389 U.S. at 100-104. The changes are unfounded. Even before the recent mandamuses, the statistics show a consistent pattern of the district court "transferring a greater proportion of its patent cases than the federal system as a whole." Janicke, Paul, PATENT VENUE AND CONVENIENCE TRANSFER: NEW WORLD OR SMALL SHIFT? 11 N.C. J.L. & Tech. On. 1 * 20 (2009). Further, Respondents' assumption that they must be sued at their headquarters stands rejected by Congress.

VE Holding Corp. v. Johnson Gas Appliance Co., 917 F.2d 1574 (Fed. Cir. 1990) *cert. denied*, 499 U.S. 922 (1991).

CONCLUSION

The circuit split remains. Mandamus is supposed to be extraordinary, but has now become routine. Respondents concede that the court below reanalyzed the facts. Therefore the court below could not have issued mandamus under the standard of review of those circuits which prohibit factual reweighing. Petitioner asks that certiorari issue.

Respectfully submitted,

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